OCEAN STEAMSHIP TRAFFIC MANAGEMENT

GROVER G. HUBER, JR.

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OCEAN STEAMSHIP TRAFFIC MANAGEMENT

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BY

GROVER G. HUEBNER, Ph.D.

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EDITORS' PREFACE

THIS volume upon the management of ocean steamship traffic is the first of a series of manuals designed to assist young men in training for the shipping business. The necessity for such a series of manuals became evident when, as a result of the great war, the tonnage of vessels under the American Flag was, within a brief period, increased many fold. To carry on the war, and to meet the demands of ocean commerce after the war, the United States Government, through the Shipping Board and private ship-yards, brought into existence a large mercantile marine. If these ships are to continue in profitable operation under the American Flag, the people of the United States must be trained to operate them. Steamship companies, ship-brokers and freight forwarders must all be able to secure men necessary to carry on the commercial and shipping activities that make use of the ships. A successful merchant marine requires ships, men to man the ships, and business organization to give employment to the vessels.

In its Bulletin upon "Vocational Education for Foreign Trade and Shipping" (since republished as "Training for Foreign Trade," Miscellaneous Series No. 97, Bureau of Foreign and Domestic Commerce, for sale by the Superintendent of Documents), the Federal Board for Vocational Education includes among other courses suggested for foreign trade training two shipping courses upon subjects with which exporters should be familiar, namely, "Principles of Ocean Transportation" and "Ports and Terminals." Although such general courses are helpful to the person engaging in the exporting business a training for the steamship business as a profession requires much greater detail in the knowledge of concrete facts of a routine nature. An analysis was made of the various divisions of the steamship office organization and it was suggested to the United States Shipping Board that as no literature existed of sufficient

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practicability and detail several manuals should be written covering the principal features of shore operations.

The response of the Shipping Board was hearty. The Shipping Board appointed Mr. Emory R. Johnson of its staff, then conducting an investigation of ocean rates and terminal charges, as its editor. The Federal Board for Vocational Education designated Mr. R. S. MacElwee, then engaged in the preparation of studies in foreign commerce. Before the project was completed Mr. Johnson severed his connection with the Shipping Board in 1919, and January, 1919, Mr. MacElwee became Assistant Director of the Bureau of Foreign and Domestic Commerce, Department of Commerce. The interest of the editors in the project did not terminate, however, and their close coöperation has been voluntarily continued out of conviction that the works will be helpful.

The books have been written with a view to their being read by individual students conducting their studies without guidance, also with the expectation that they will be used as class text books. Doubtless colleges, technical institutes, and high schools having courses in foreign trade, shipping business and ocean transportation will desire to use these volumes as class texts in a manner outlined in "Training for the Steamship Business," by R. S. MacElwee, Miscellaneous Series 98, Bureau of Foreign and Domestic Commerce, Superintendent of Documents, Washington, D. C. It is expected that evening classes and part time schools, organized under the patronage of the Federal Board for Vocational Education, Chambers of Commerce, and other interested organizations will find the manuals useful. Should these volumes accomplish the desired purpose of giving the American people a somewhat greater proficiency in the business of operating ships, they will have proven successful.

THE EDITORS

AUTHOR'S PREFACE

The preparation of this text was undertaken at the suggestion of the editors: Dr. Emory R. Johnson, representing the United States Shipping Board, and Dr. R. S. MacElwee, representing the Federal Board for Vocational Training. It is one of a series of manuals "being prepared for use in giving instruction in the various phases of the steamship business." In this volume of the series an effort is made to present in systematic order the principal facts, forms, practices, functions and principles which young men engaged in or contemplating employment in the ocean shipping business should know with respect to steamship traffic management.

The text is divided into three parts. In Part I, dealing with the traffic organization of ocean shipping, the organization and functions of the various types of ocean services and traffic agencies are classified and defined. Separate chapters are included to discuss at some length the business organization and functions of the Freight and Passenger Traffic Departments of Steamship lines; the organization and administration of chartered steamship services and ship brokers; the organization of ocean conferences; and the organization and services of ocean freight forwarders.

Ocean shipping documents—their contents, form and uses—are described and many are reproduced for the convenience of the student in Part II. Separate chapters deal with the shipping documents required by ocean carriers; those required by the United States Government; those required by foreign governments in the United States export trade; and those used in the freight forwarding business. An account is also given of time and voyage charter parties. The many forms reproduced in these chapters are made out for assumed or actual shipments so that the student may see how they are used in practice.

Part III, dealing with ocean freight rates and regulation, con-

tains chapters on ocean freight classifications and rate tariffs; ocean rate-making; and the regulation of steamship services and rates by the Government.

I wish to acknowledge my indebtedness to the various officials of steamship lines, and to the ship brokers, steamship agents, freight forwarders, customhouse brokers, and customs authorities who have rendered valuable assistance in explaining their business organizations and practices and in providing and making out forms. Acknowledgment is also due to Dr. R. S. MacElwee for the use of an unpublished "job analysis" of the organization of a steamship line; and to Mr. Joseph A. Slechta for the use of an unpublished paper on *Practical Steamship Operation.* I wish to acknowledge with gratitude the advice and encouragement received from Dr. Emory R. Johnson.

The index was prepared by Mr. T. P. Harris.

GROVER G. HUEBNER

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PART ONE

THE TRAFFIC ORGANIZATION OF OCEAN SHIPPING

CHAPTER I

TYPES OF OCEAN SERVICES AND TRAFFIC AGENCIES

The student of steamship traffic management, before making a more detailed examination of the traffic organization and functions of the various ocean transportation services and of the principal types of steamship traffic agencies, should obtain a bird's-eye view of the entire traffic structure of ocean shipping. A view of steamship traffic management as a whole will also assist him in mastering the shipping documents described in Part II of this manual, and in obtaining a knowledge of ocean rate-making and the regulation and control of the steamship business by the Government, subjects which are discussed in Part III. The preliminary outline of the organization of ocean shipping contained in this chapter is followed with a more detailed account of the organization and practices of traffic management.

There are three types of ocean transportation services, which are provided respectively by the regular steamship lines, by chartered vessels or tramps, and by private or industrial lines. Each of these services has its variations, each performs definite functions, and each is so organized and managed as to make possible the attainment of these functions.

Regular Steamship Lines

The regular steamship line service is the most generally known because it includes the great ocean passenger lines and the world's largest and fastest steamships, and because it is widely advertised. The regular line service is not, however, performed exclusively in the great passenger steamers with which the traveling public is familiar. There are a variety of different kinds of regular steamship lines. The passenger carrying lines vary everywhere from those which carry mainly passengers, mail, express goods, some high class freight and relatively small quantities of heavy cargo to those which depend largely upon freight cargoes but have accommodations for a limited number of pas-

sengers. Steamship lines operating vessels of great speed having relatively little space for cargo are sometimes referred to as "express lines"; those which carry large numbers of passengers as well as much high class freight and bulky cargo are often called "passenger lines"; and those carrying mainly freight cargoes but with accommodations for some passengers are known as "combination lines." But there is no universally accepted terminology.

The regular line service also includes many "cargo lines" which operate over regular routes and on scheduled sailings, as do the passenger carrying lines, but confine themselves to freight traffic. They operate many of the world's fastest, largest and best equipped general cargo steamers.

The distinctive function of the regular lines is to operate vessels and carry freight for the shipping public, or passengers, on regular routes and so far as possible on scheduled sailings. They also perform the important functions of providing a service especially adapted to the needs of shippers who desire to ship high class freight requiring rapid transportation or delivery within a specified time, and of those who have less than shipload lots of cargo which do not warrant the chartering of an entire tramp vessel. The regular freight rates of the lines are usually higher than the charter rates of tramps, but line steamers are frequently put "on the berth" for bulky cargoes of grain, case oil or similar commodities to fill up space not occupied by general cargo or to avoid the need of taking on excessive ballast. In such instances the lines may also afford the shipper of such cargoes the advantage of low shipping costs. The passenger carrying lines perform the additional special function of providing a service adapted to the transportation of passengers and the international mails.

The traffic conditions favorable to a regular line service obviously do not prevail in all ocean trades. The operation of a regular line of vessels over definite routes and on scheduled sailings depends upon the availability of a regular flow of traffic over the selected routes. Line steamers do not need to sail over direct routes connecting a single clearance port with a single port of discharge; they may stop at various points of call and their routes may be triangular or contain a number of "legs." They may also receive traffic at the selected ports from many

interior points and from outports, and similarly discharge traffic destined to interior points and outports. They may have definite connections with branch lines or other steamship lines for the interchange of traffic. Unless the total existing or prospective traffic is sufficiently heavy and regular, however, conditions are not favorable for the operation of a regular line service. This regularity and volume of traffic, moreover, has particular reference to general freight cargoes, and in the case of passenger lines to passenger traffic.

The nature of line services and line traffic requires an extensive organization and facilities. Lines have definite arrangements with respect to docks, wharfs and warehouses, and other port facilities; they solicit and advertise for traffic, and they maintain a permanent main office and field organization. Some lines provide services in a number of different trades and operate trunk lines and branch lines or feeders in the same way that large railroad systems do.

Most steamship lines are operated by steamship companies or by steamship agents who are engaged in the business of operating lines for themselves or for line companies. There are some government lines, but such lines usually are also operated through steamship companies. The business organization of a steamship company or agent depends upon the volume and character of its traffic, the efforts needed to obtain traffic, the number and kind of services provided, the number of ports of call, and the views of officials and owners regarding organization. The organization of no line is strictly typical of all other lines. The organization contained in Chart No. I is that of a large freight and passenger carrying line; it is typical of such lines and it discloses the main business departments found in most line organizations. The business organization of each line within the various departments will of course vary as stated above. Cargo lines dispense with the Passenger Traffic Department, and most of the officials and other employees of small lines perform a wider range of duties than those of large lines, the volume of whose business warrants a high degree of specialization. The Freight and Passenger Traffic Department contained in Chart No. I are fully described in subsequent chapters. These departments are important parts of the larger business organization, all parts of which should coöperate when desirable and are brought together

CHART I

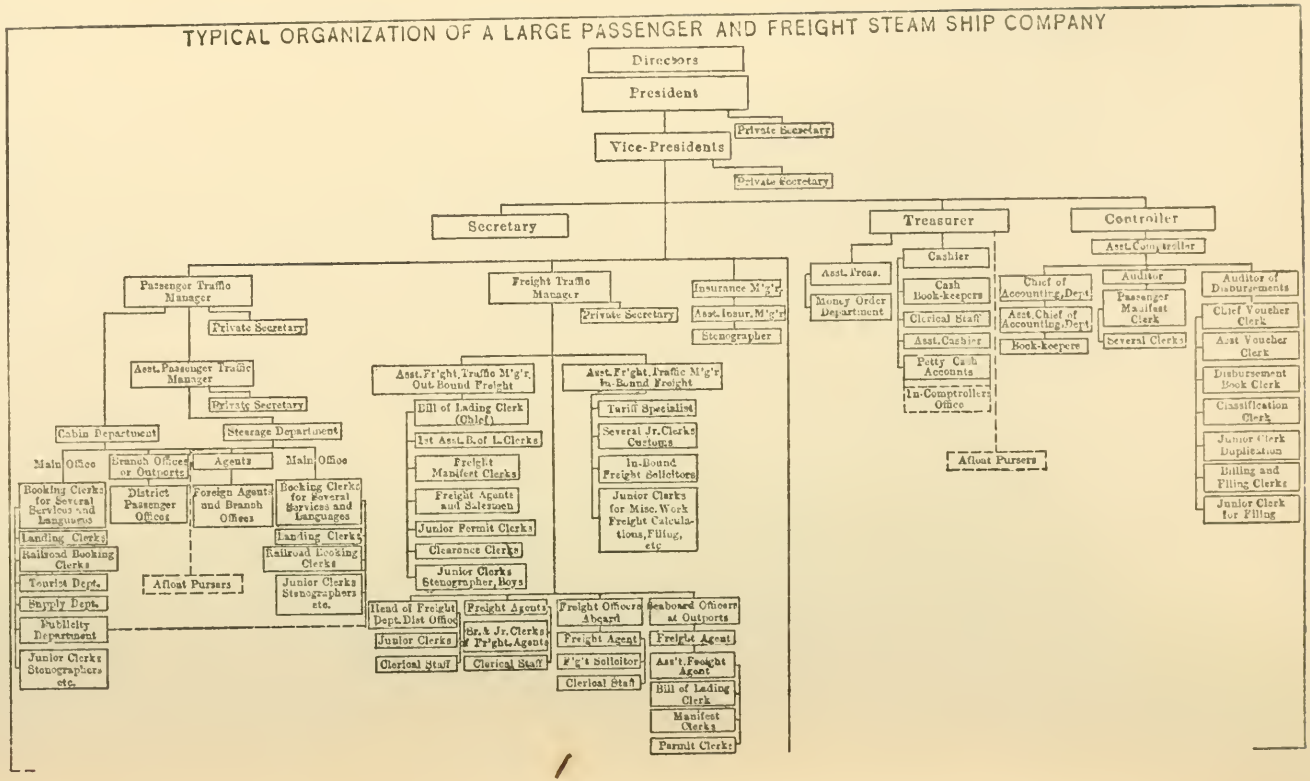
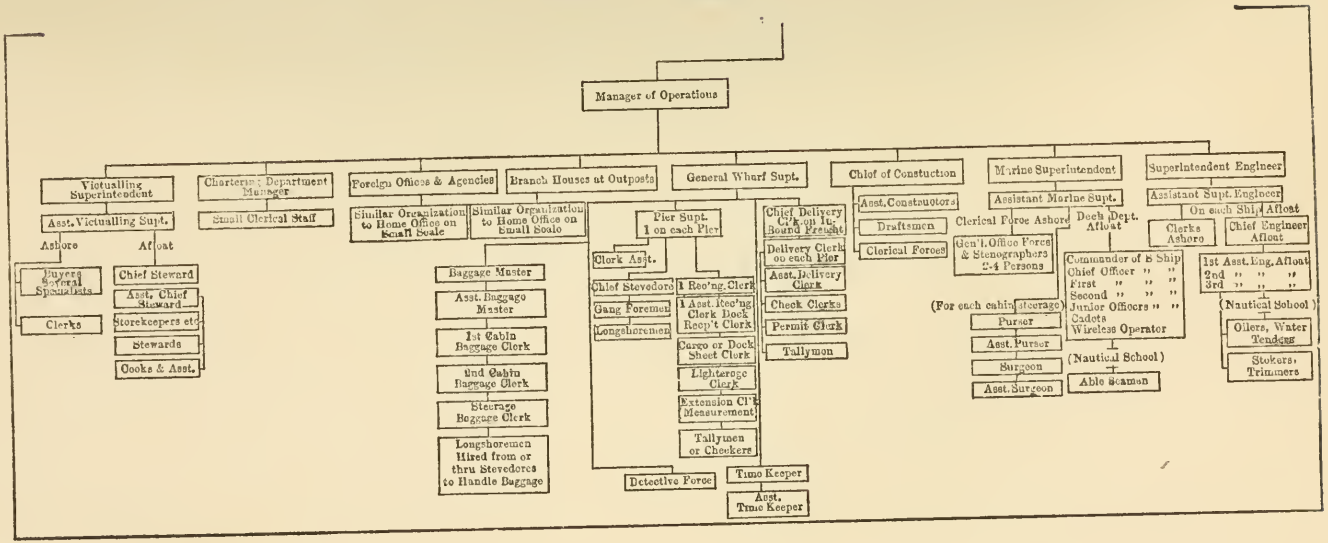

TYPICAL ORGANIZATION OF A LARGE PASSENGER AND FREIGHT STEAM SHIP COMPANY
Directors
President
Private Secretary
Vice-Presidents
Private Secretary
Secretary
Treasurer
Controller
Passenger Traffic Manager
Private Secretary
Asst. Passenger Traffic Manager
Private Secretary
Cabin Department
Steerage Department
Main Office
Branch Offices or Outports
Agents
Main Office
Booking Clerks for Several Services and Languages
Landing Clerks
Railroad Booking Clerks
Tourist Dept.
Supply Dept.
Publicity Department
Junior Clerks Stenographers etc.
District Passenger Offices
Afloat Pursers
Foreign Agents and Branch Offices
Booking Clerks for Several Services and Languages
Landing Clerks
Railroad Booking Clerks
Junior Clerks Stenographers etc.
Freight Traffic Manager
Private Secretary
Asst. Fr'ght. Traffic M'g'r. Out-Bound Freight
Bill of Lading Clerk (Chief)
1st Asst. B. of L. Clerks
Freight Manifest Clerks
Freight Agents and Salesmen
Junior Permit Clerks
Clearance Clerks
Junior Clerks Stenographer, Boys
Head of Freight Dept. Dist Office
Junior Clerks
Clerical Staff
Freight Agents
Sr. & Jr. Clerks of Fr'ght. Agents
Clerical Staff
Asst. Fr'ght. Traffic M'g'r. In-Bound Freight
Tariff Specialist
Several Jr. Clerks Customs
In-Bound Freight Solicitors
Junior Clerks for Misc. Work Freight Calculations, Filing, etc
Freight Officers Aboard
Freight Agent
F'g't Solicitor
Clerical Staff
Seaboard Officers at Outports
Freight Agent
Ass't. Freight Agent
Bill of Lading Clerk
Manifest Clerks
Permit Clerks
Insurance M'g'r.
Asst. Insur. M'g'r.
Stenographer
Asst. Treas.
Money Order Department
Cashier
Cash Book-keepers
Clerical Staff
Asst. Cashier
Petty Cash Accounts
In-Comptroller's Office
Chief of Accounting Dept.
Asst. Chief of Accounting Dept.
Book-keepers
Afloat Pursers
Asst. Comptroller
Auditor
Passenger Manifest Clerk
Several Clerks
Auditor of Disbursements
Chief Voucher Clerk
Asst Voucher Clerk
Disbursement Book Clerk
Classification Clerk
Junior Clerk Duplication
Billing and Filing Clerks
Junior Clerk for Filing

CHART I—*continued*



under the Vice-Presidents, President and Board of Directors. The chart indicates the possible avenues of promotion and the many different kinds of positions available in a large line organization.

It will be noted that the largest department in the entire organization is the Department of Operations, which has charge of all the various functions of physical operation and maintenance as distinct from commercial or traffic activities. It is in fact a group of departments brought together under the Manager of Operations. The work of loading, discharging, provisioning, maintaining and running the line's vessels involves so much detail and responsibility that in the large line selected for analysis it is divided among various subdepartments and agencies, each with responsible heads. The Wharf Department under the General Superintendent of Wharves has complete charge of the physical work of receiving and delivering traffic at the line's docks, wharves, piers and warehouses. Its work is so closely connected with that of the traffic departments that the student of traffic management will do well to master the detailed account given in the volume of this series on *Wharf Management* by Dr. R. S. MacElwee and Mr. T. R. Taylor. The Marine or Deck Department under the Marine Superintendent sees to the docking and undocking of the line's vessels and also includes the deck department of the vessels when afloat. The officers and crew comprising the deck department of a ship are indicated in the chart. The Engineer Department under a Superintendent Engineer similarly has charge of the engine department of the line's ships, and of the upkeep of their engines and repairs to their hulls in case they need to be put in dry dock. The Construction Department, consisting of a Chief of Construction, assistant constructors, draftsmen and a clerical force, has charge of the line's ship and other construction work. The Victualing Department, under a Victualing Superintendent, has charge of all the food supplies needed aboard a ship, purchasing and handling them ashore and supervising the serving of them afloat through the vessel's chief stewards and their staff of assistants, storekeepers, cooks, etc. Under the Manager of Operations of this line there is also a Chartering Department which handles the company's ship chartering transactions. Its organization is similar to that of a ship broker.[1]

[1] Described in Chapter IV.

The Manager of Operations, moreover, has branch offices at outports in the United States, and branch offices and agencies at foreign ports to conduct the line's operating functions away from its home office.

The line organization selected as the basis for discussion also has a Treasurer's Department. The Treasurer, who is its executive head, has control of the company's financial affairs within the limits set by the Board of Directors, and he signs its stock certificates and manages its banking and foreign exchange relations. The Assistant Treasurer, under him, has charge of the Money Order and Draft Department which is so closely connected with the Passenger Traffic Department that his office is located there. The Cashier, assistant cashiers, cashbook keepers and clerks of the Treasurer's department, some of whom are located in various departments throughout the organization, receive the company's funds and keep the necessary cash records. The money received by the Cashier or his staff is turned over to the Treasurer, who is responsible for its safe-keeping.

The Comptroller's Department is divided into the offices of the Comptroller and Assistant Comptroller and three subdepartments. The Comptroller is the executive head of the entire department and has charge of disbursements and financial statements. The Assistant Comptroller is responsible for the making of the monthly and yearly balance sheets and for the keeping of the general books of the company. This necessitates the consolidation and posting of accounts which are of two principal kinds: voyage accounts and general expense. The accounting classification is so elaborate that the Assistant Comptroller of the line has a staff of three subdepartments,—Accounting, Auditing and Voucher.

The Chief and Assistant Chief of the Accounting Department and a staff of bookkeepers have charge of posting items in the ledgers from the cashbooks and other books kept in various parts of the line's organization; and they take off monthly trial balances, and prepare statements as requested. The Auditor has charge of checking the company's funds and keeping the necessary books; he signs vouchers before payment, checks bills and files them in his office, and checks and files foreign accounts. He has a staff of clerks to assist in this work, and as he is in charge

of the passenger manifests covering each voyage as they are received from the Passenger Traffic Department he has the assistance of a "passenger manifest clerk." The Auditor of Disbursements with a staff, as shown in Chart No. I, has charge of the final payment of all outgoing funds. Vouchers payable at a bank are prepared and sent out under the immediate direction of his "chief voucher clerk." A "disbursement book clerk" has charge of the keeping of the disbursement books. A "petty cash account clerk" deals directly with the Cashier's clerks, who keep the petty cash accounts in the Treasurer's Department. A junior "clerk for the prevention of duplication" is entrusted with card index records of bills against which he checks bills to avoid the danger of having the same bill paid more than once. The voucher department also has a number of junior "bill filing clerks."

The business organization of a steamship line may have an Insurance Department to handle its insurance work, particularly that having to do with the placing of marine insurance and the adjustment of claims. The insuring of vessels through self-insurance funds, mutual associations, outside marine insurance companies and underwriters, or through the Bureau of War Risk Insurance of the United States Treasury Department is fully described in the manual of this series on *Marine Insurance* by Dr. S. S. Huebner.

There is also a Secretary, the duties of whose office are similar to those usually performed by the secretary of any large company. The line's legal work may be in charge of a Counsel or it may be turned over to an outside firm of attorneys. Its organization may have a Chief Clerk with a general clerical staff, and a number of the higher executive officers may have private secretaries.

To emphasize the fact that the organization outlined in Chart No. I is that of a large steamship line and that smaller lines have a less extensive and complex organization, attention is called to Chart No. II. This chart does not show the line's entire clerical staff and field forces, but it brings out the various departments of its main office organization.

2 - The Tramp or Chartered Service

Very differently organized and less generally understood is the freight service performed by the thousands of cargo vessels

that operate without established sailing schedules and confine themselves to no definite routes or limited group of ports. They are known as tramps because they may be chartered to carry cargo over any route and to any port not prevented by inadequate harbor depths or legal restrictions. They are usually chartered to transport full cargoes of heavy, bulky commodities and are

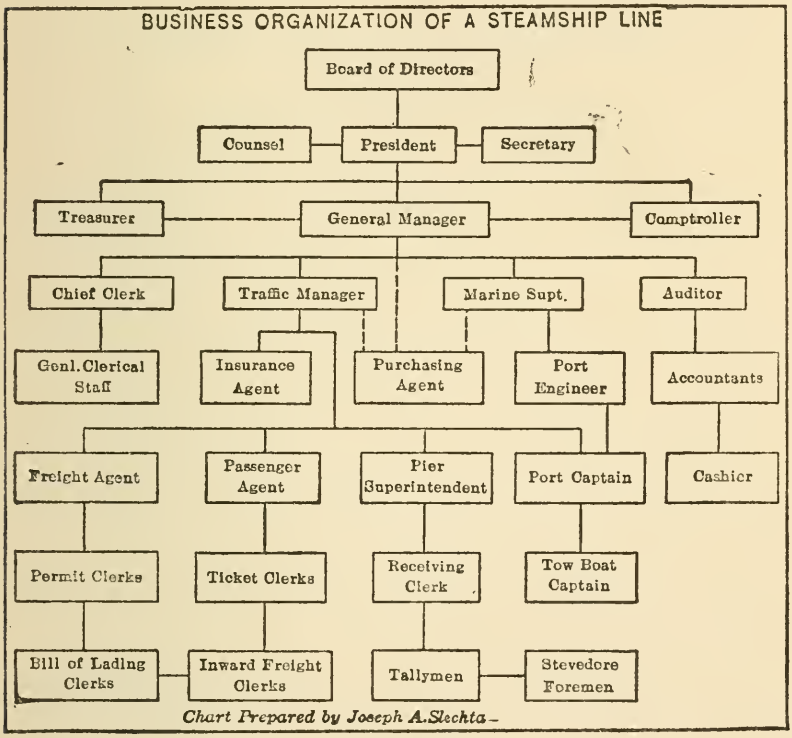


CHART II

therefore of great importance in the ore, coal, grain, nitrate, phosphate, lumber, clay, building material, chalk, sugar and iron and steel trades, where the shipment of large cargoes is the common practice. But their services are not limited to these trades; tramps may be chartered to carry cargoes of any kind not requiring vessels of special design and equipment.

The fundamental document governing the relations between the tramp owner or operator and the charterer is the charter party.

When chartered for a single voyage a trip or voyage charter is executed, and when a vessel is chartered for a period of time or a number of voyages the underlying contract is known as a time charter. The numerous variations within these two general classes of charter parties are described in Chapters XII and XIII.

Though the chartered freight service usually refers to the chartering of tramps for full cargoes, tramp vessels are also used in other ways. They are sometimes put "on the berth" by their owners or operators, either for full or partial cargoes. Cargo is then sought by personal solicitation or advertising and sailing dates and ports of discharge may be announced. Many shippers with large or small cargoes may deliver their shipments to the tramp vessel as they would to a line, each paying freight rates for his particular cargo instead of a charter rate or hire covering the services of the entire vessel for a voyage or period of time. A tramp may be similarly put on the berth by ship brokers or by speculators who charter it on their own account and then endeavor to find cargoes for it. When a tramp is engaged in this service it may come into direct competition with the regular lines; it then becomes a speculation which is usually not undertaken unless line rates seem to be exorbitant or a shortage in line tonnage occurs. A tramp may, however, be put on the berth for cargoes destined to ports which are not as yet served by regular lines. Shippers who charter a vessel for a full cargo and are required to pay the owner on that basis sometimes put the vessel on the berth to fill available space not occupied by the cargoes of the charterers.

Tramps are at times chartered by regular lines to operate in the line service. A line may need one or more additional vessels during the season when its traffic is heaviest; or it may own a part of its fleet and regularly operate chartered vessels in its line service; and there are steamship lines with entire fleets consisting of chartered vessels. Cargo vessels are in this way withdrawn from the tramp service by cargo lines, and passenger steamers are sometimes chartered by passenger lines.

As cargo vessels, when operating as tramps, for the most part carry full cargoes of heavy, bulky commodities they are not always in direct competition with the regular lines. The two services, however, are not wholly non-competitive, for lines fre-

quently seek heavy, bulky commodities either as part of their regular cargo or as berth cargo, and tramp vessels are sometimes put on the berth for the type of cargo that is ordinarily carried by the lines. Each has certain competitive advantages. The capital and operating costs of tramps are less than those of the regular lines. Tramp vessels are built for economy and freight capacity; they are usually of average size, speed, and draft, and are fitted to carry large cargoes not requiring specialized equipment. Tramp owners and operators need not provide themselves with or make permanent arrangements for expensive docks, wharves, warehouses and other port facilities. They need not expend large sums on advertising or maintain permanent domestic and foreign branch offices, district offices and agents. The extensive business organization needed by lines is not duplicated in the tramp service, for the tramps depend largely upon ship brokers for their charterers or cargoes. Their office organization for planning and directing operations and for other purposes, and the services performed by ship brokers are discussed in Chapter IV.

The tramps, however, are at a disadvantage in certain respects as compared with the lines with whom they sometimes compete. They are not adapted to transport the profitable high class freight which moves in less than full cargoes and requires rapid delivery; nor do they share in the passenger and mail business. They do not have the business organization needed for the regular transportation, handling and solicitation of general cargo traffic and they have no clientele of regular patrons. When competing against lines for grain which is frequently bid for by the latter as berth cargo, they face the disadvantage of having to depend entirely upon the cargo of grain for the profits of their voyage, while the lines depend mainly upon their regular cargo and passengers which are largely booked before their vessels are put on the berth. As the flow of traffic over particular given routes becomes heavy and regular the advantages of the lines increase, but the tramps continue to carry a large share of the world's ocean freight traffic.

Private or Industrial Bulk Carriers

Although most ocean cargoes are now carried in tramps or line vessels there is a tendency on the part of various industrial

and mercantile concerns to provide themselves with vessels which they operate primarily to carry their own raw materials or finished products. The private transportation service which they obtain corresponds in a degree to that rendered during the early years of American shipping when large merchant traders and groups of smaller merchants and shippers provided themselves with privately owned and operated vessels. The entire merchant marine was operated privately for many years; common carriers did not become the rule in ocean traffic until after the War of 1812.

The so-called private or industrial bulk carriers of to-day are mainly specialized vessels operated by large industrial concerns to transport commodities such as ore, coal, lumber and lumber products, asphalt, and mineral oils. It is sometimes difficult even in these trades to distinguish this type of service from that of tramps or liners because the privately operated vessels at times carry cargoes for other shippers to fill available cargo space on outbound voyages or to obtain return cargoes. The line of distinction becomes less clear when the ocean transportation services operated by export and import merchants are considered. The lines operated by some of them, although used to transport their own cargoes, so generally accept and solicit the cargoes of other shippers that they are everywhere regarded as performing a regular line service.

Privately operated or industrial bulk carriers differ fundamentally from tramps and regular lines in that they are primarily used to carry the cargoes of their owners or operators. "The advantages accruing to the private concerns operating them are (a) the use of specialized equipment, (b) the exact degree of regularity and frequency of service desired, (c) a reduction in some instances of the firm's transportation bill, and (d) more complete control over a particular industry or trade in so far as its control may depend upon ocean transportation facilities." [2] Ocean steamship services of this kind are variously managed by the industrial concern through a steamship department directly connected with its main business organization; through a subsidiary steamship company; or through an outside steamship agent.

[2] E. R. Johnson and G. G. Huebner, *Principles of Ocean Transportation*, p. 152.

Steamship Traffic Agencies

In the preceding account of ocean transportation services frequent mention was made of agencies which are intimately associated with steamship operation and traffic management. The owners of line vessels frequently turn the management of their traffic and sometimes their entire operation over to steamship agents who may also undertake the operation of lines on their own account. There are "general steamship operators" who not only act as steamship agents but engage in many branches of steamship activity, line as well as tramp. There are a vast number of "freight" and "passenger agents" who work for steamship lines under contract on a commission basis. There are "ocean freight brokers," "forwarders," "contractors" and "foreign express companies"; "custom house brokers" and "customs attorneys"; trucking and lighterage companies; dock, wharf, warehouse and terminal companies; "ship brokers," "managing owners" and other tramp operating concerns; stevedores; marine insurance companies and underwriters; all of which are parts of the present day organization for steamship operation and traffic management. Those which are primarily traffic agencies are discussed in subsequent chapters, and others are described in other manuals of this series.

The railroads are also a factor in steamship traffic management. They carry ocean cargoes to and from the interior on railroad or through export bills of lading, and at domestic or special import and export rates, and occasionally at through or joint rates. They provide ocean terminal facilities of various kinds at many ports; they perform lighterage and other port services; and establish railroad demurrage and storage rules and other traffic regulations of importance both to ocean shippers and carriers. Some of them have foreign freight departments through which import and export traffic is developed and forwarding services are performed. At a number of ocean ports steamship lines and railroads are parties to preferential rail-ocean traffic contracts which variously provide that the steamship line's steamers shall load and discharge at the wharves owned by a particular railroad, that the railroad will provide wharfage facilities free of charge, and that the steamship line and the railroad will mutually endeavor to promote the inter-

change of their traffic, each giving preference to the other so far as it may lawfully do so. Additional clauses sometimes fix the number of vessels to be operated; call for the protection of rates on competitive traffic as against other lines or ports, and govern other matter of mutual interest. The closest relation between the rail and ocean transportation services exists in those instances where railroads own and operate or directly control steamship companies and vessels.[3]

Mention should also be made of the various concerns that are purely operating agencies as distinct from those that are a part of or closely connected with the traffic organization of steamship companies. They include agencies such as towing companies, bunker coal and fuel oil concerns, pilots, ship supply merchants, dry dock companies, and underwriters' surveyors.

Ocean Conferences and Associations of Steamship Owners or Shipping Interests

This bird's-eye view of steamship traffic management would not be complete without mention of the various organizations through which individual steamship services and agencies are affiliated with each other. Most steamship lines engaged in any particular trade are brought together in so-called "ocean conferences" to agree on many of the most important phases of traffic management. Some of the conferences are formal organizations, while others consist of informal working arrangements; and their agreements range from signed agreements to oral understandings. They variously control line rates and frequently administer traffic or money pools; allot ports, sailing dates, number of sailings or the amount of tonnage; regulate the commissions and practices of freight and passenger agents; and otherwise govern the relations between member lines and their competition with non-members. As is more fully described in Chapter V ocean conferences are also found in the chartered service, but the control exercised by them has always been less far reaching and effective. There, moreover, are steamship associations through which owners or operators endeavor to standardize charter

[3] An account of "Coöperation and Combination of Ocean and Rail Carriers" is given in Chapter XX of the *Principles of Ocean Transportation* by E. R. Johnson and G. G. Huebner.

parties, port regulations, etc., and to coöperate in other matters of mutual interest.

Many of the agencies connected with ocean shipping are also affiliated in associations or special organizations. Many freight agents, brokers and forwarders are members of freight brokers' associations. Stevedores, tally clerks, and truckmen are usually members of unions. The pilots of a particular port are usually members of a pilots' association.

At many ports there are also general organizations with a membership including a wide range of shipping interests. Maritime exchanges and the chambers of commerce and produce exchanges located at some of the ports perform important ocean shipping functions.[4]

Government Authorities and Steamship Traffic Management

The management of steamship traffic is not left entirely to the individual or coöperative action of those engaged in ocean shipping. The Federal departments, bureaus, boards, commissions and authorities referred to in Chapter XVII are important links in the general traffic and operating organization. So too are the local authorities,—state, municipal or public trust,—that administer the ocean ports; and the foreign consuls and customs authorities who administer the consular regulations of foreign countries in so far as they apply to the trade and shipping of the United States.

[4] See pp. 53, 54.

CHAPTER II

ORGANIZATION OF THE FREIGHT TRAFFIC DEPARTMENT OF A STEAMSHIP LINE

THE business organization of every steamship line or steamship agent in charge of the management of a regular line carrying freight cargoes in the overseas trade contains a Freight Traffic Department through which the line's or steamship agent's commercial or traffic functions are performed. It has charge of the making of freight rates; of the issue and distribution of tariffs or rate cards or instructions as to what charges are in effect; of the solicitation and development of freight traffic and the booking of cargoes; the issue of freight contracts, bills of lading, parcel receipts, shipping permits, arrival notices and other shipping documents described in subsequent chapters; and of the entry and clearance of vessels, and to some extent of cargoes at the custom house. It selects cargo so as to swell the profits of each voyage so far as possible, and considers the relative space to be occupied by cargo and fuel. It recommends the establishment of new or the alteration of old services; it examines into the traffic suitability of vessels which the owner contemplates purchasing, chartering or constructing.

There is no uniformity among steamship lines or agents as to the organization of the freight traffic department, for the volume of business varies everywhere from that of the small lines operating a few vessels to that of the giant steamship companies or agents operating fleets exceeding a million tons gross register. There are steamship consolidations and steamship agents who manage a number of steamship lines serving many ports and operating over different routes.

The size of the freight traffic department is bound to be adjusted to the volume of its business and the number of lines operated, and the subdivision of functions among separate traffic officials and employees is adapted to these considerations and to the views of the owners or company directors and executive of-

ficials as to how the necessary work can best be performed. The freight traffic organization contained in the accompanying chart (No. III) is that of a typical large steamship line or steamship

CHART III

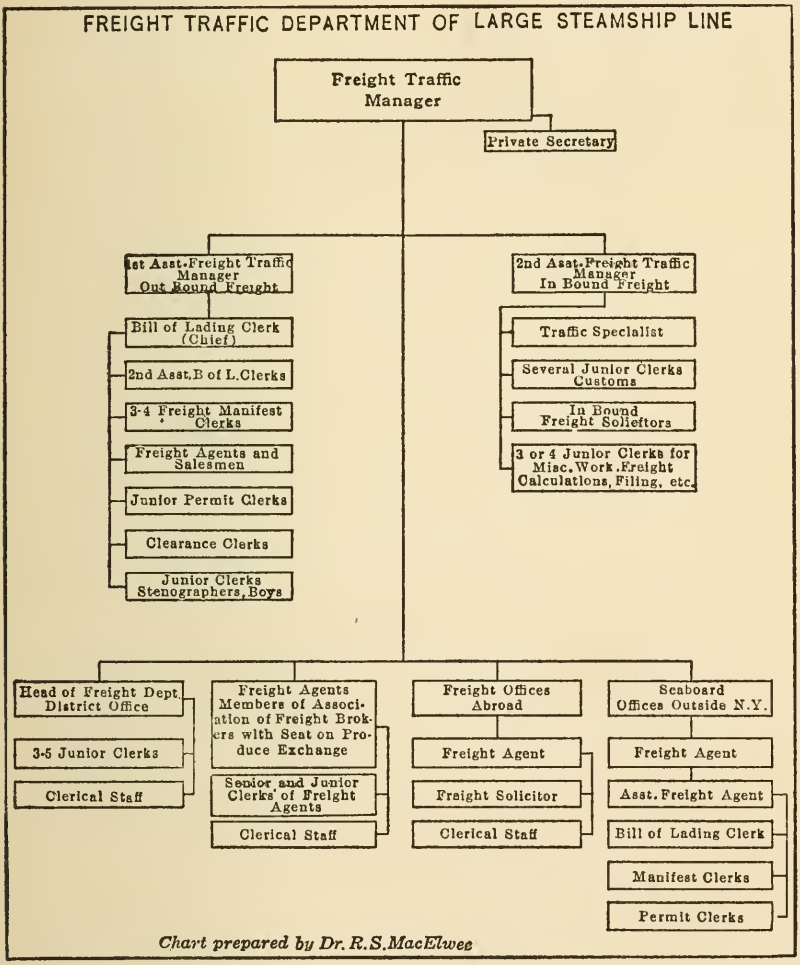


Chart prepared by Dr. R. S. MacElwee

agent. When studied with a view to determining who performs a particular kind of traffic work or the possible lines of promotion for traffic employees it should be borne in mind that the Freight Traffic Department of every steamship line or agent

varies in detail and that the traffic organization of a small line is less extensive.

Freight Traffic Manager

The traffic organization of many large steamship lines is divided into two parts which handle freight and passenger traffic respectively. In such an organization there may be a Freight Traffic Manager and also a Passenger Traffic Manager each with a separate department. A smaller line or one less extensively engaged in the passenger business is apt to have a Traffic Manager who is in charge of both freight and passenger traffic management, the work under his supervision, however, being largely subdivided among separate traffic officials and employees.

The Freight Traffic Manager not infrequently ranks as a Vice-President because the department under his control is one of great importance to the successful operation of a steamship line. His department may be so large that to relieve himself of detailed supervision and to obtain the expert assistance of efficient traffic men it will be divided between two responsible assistants, an Assistant Freight Traffic Manager in charge of outbound freight, and another Assistant Freight Traffic Manager in charge of inbound freight. These traffic officials are sometimes known as Outbound and Inbound Freight Managers, or by other appropriate titles. Many steamship traffic organizations provide for no Assistant Freight Traffic Managers but place one or more General Freight Agents under the General Traffic Manager or General Freight Traffic Manager. The General Freight Agents may be in direct charge of outbound or inbound freight or in charge of the freight traffic work connected with separate lines operating over different routes or from different ports.

The making of freight rates by the General Freight Traffic Manager and the assistants mentioned above requires many consultations on their part and the compilation of reliable information as to commercial needs, active and potential competition, steamship costs and other matters referred to at length in subsequent chapters on rate-making. The rates of most ocean lines, moreover, are made in accordance with agreements and understandings, and the General Freight Traffic Manager or his assistants perform the responsible work of negotiating with other lines through the ocean conferences of which most of the steam-

ship lines engaged in the foreign trade are members. The activities of these ocean conferences are described in Chapter V. Having decided upon freight rates the General Freight Traffic Manager sees that the proper tariffs and current instructions are given to the company's freight agents, district officers, solicitors and brokers.

The General Freight Traffic Manager also determines the policies of the line with respect to the development of its freight traffic. He directs and supervises the freight offices or agents of the line at the ports of the United States, those in charge of district offices, and those performing the line's traffic work abroad.

Should he decide that the line's traffic warrants the running of additional steamers, or that the company's interests would be furthered by establishing services over routes or at ports not formerly served by the line, he makes appropriate recommendations to the owners. If it is decided that an additional vessel should be purchased or constructed his recommendation constitutes an important guide to the owners as to its suitability for the trade. A careful examination is made of the "vessel's particulars" and of blue prints showing its deck arrangement and its holds and cargo handling equipment.[1]

The Freight Traffic Manager of a large line usually has a *private secretary*. While this employee does stenographic work, the nature of his position directly in an executive's office requires him to possess discretion, personality and alertness of mind, and offers to him a promising avenue for advancement. He has an opportunity to learn the executive end of the steamship business, and an insight into the forces and considerations that shape the general policies of the company. He comes into personal contact with the head of the Freight Traffic Department and those of practically all other departments in the organization; and with the board of directors and the many important business men who call at the Freight Traffic Manager's office for conference. To be of maximum assistance to the company he must have the ability to grasp both the detail and the general aspects of the work for which the Freight Traffic Manager is responsible.

[1] For full discussion of types of vessels and their uses see the manual of this series on *Merchant Vessels* by Dr. Robert Riegel.

Outbound Freight Traffic Manager

The official immediately under the General Freight Traffic Manager in charge of outbound freight, who may be the Assistant Freight Traffic Manager, the Outbound Freight Traffic Manager, or a General Freight Agent, coöperates with him in the making of rates and in formulating traffic development policies. He also has immediate charge of the supervision of the outbound traffic organization of the line. He directs the booking of freight, so as to properly balance cargo space against space set aside for fuel, stores and supplies, with a view to obtaining maximum receipts. When cargo is scarce a line vessel not infrequently sails with as much as one third of its space unoccupied, but when cargo is plentiful an effort is made to swell its receipts by the efficient and profitable use of the vessel's carrying capacity. Heavy cargo, which is carried on the weight basis, moreover, is then balanced against general cargo which weighs little but is carried on the basis of so much per measurement ton of 40 cubic feet or per cubic foot. A given vessel may, for example, have a cubic capacity for 5,600 tons of 40 cubic feet as compared with a weight capacity of 6,200 tons of 2,240 pounds. Careful choice of cargo may result in the booking of 2,400 tons of heavy weight cargo and 4,100 tons of measurement cargo, or a total of 6,500 tons of profitable cargo.

The booking office, therefore, requires direction, and a freight engagement record must be kept so that the amount of freight that has been booked can be ascertained at any time. The permit clerks who issue permits to shippers telling them when their cargo may be delivered at the pier, moreover, need to be given instructions as to when cargoes should be ordered forward. There is a direct connection between the proper loading and discharging of cargo by the Wharf Department and the efficiency with which it is ordered forward by the Freight Traffic Department. Piers or ships should not be congested with cargo and lighters, and the pier superintendent should not be hindered in stowing cargo "with dispatch and with due consideration to the order of discharge at ports of delivery. . . . Exceptionally heavy cargo, such as rails or heavy lifts, should be stowed either in the very bottom of the lower holds or on the floors of the 'tween decks. If steel rails are being shipped to Rio de Janeiro,

for example, they can be stowed to best advantage in the 'tween deck. 'Net' cargo, such as kerosene oil, must be stowed if possible in compartments not used for other cargo; all inflammables must be stowed in holds not immediately adjacent to the boiler room. . . . Heavy cargoes must not be stowed in such position with relation to fragile packages as to cause danger of damage by the shifting of the cargo as a result of the movements of the hull in the leeway. These and literally hundreds of other details, must be given consideration so far as is possible, not only in stowing but in ordering the cargo forward by rail, truck or lighter." [2]

Letters of instruction to the agents at ports of call are also drawn up by the head of the outbound freight department so far as freight cargo is concerned, for the approval of the Freight Traffic Manager. If the vessel carries passengers similar instructions are prepared by the Passenger Traffic Manager or under his direction. The instructions to agents not fully familiar with the line's wishes are comprehensive, but when the traffic department has full confidence in the agent's judgment the letter of instructions merely calls attention to the amount of cargo, the number of passengers, and any matters calling for special attention. These instructions are frequently included in the cablegram which announces the sailing date. If any cargo is left ashore after being included in the ship's manifest the agent's attention is called to it in the letter of instructions. One or more copies of the ship's manifest which lists the entire cargo destined to the agent's port, and copies of the bills of lading which cover each shipment are sent with the agent's instructions.

"A similar letter of instructions must be written to the master, with an explicit statement of all matters pertaining to the contemplated voyage. With such instructions the master receives a complete set of manifests and bills of lading, which may be used en route in conjunction with the tally sheets (received from the Wharf Department) . . . for the purpose of making up the ship's cargo books. These instructions to both agents and masters are usually made by the Traffic Manager or under his supervision. Separate letters of instruction may be written by the Marine Superintendent and Purchasing Agent, but generally

[2] Statement by Mr. J. A. Slechta. For details as to stowage see manual of this series on *Wharf Management,* by Dr. R. S. MacElwee and Mr. T. R. Taylor.

particulars to be included in a general letter are given by these officials to traffic officials charged with this detail of administration." [3]

Clerical and Soliciting Staff in Outbound Freight Department

Chief Bill of Lading Clerk.—Under the Assistant or Outbound Freight Traffic Manager there is a chief bill of lading clerk who signs the steamship company's bills of lading. He holds the most important place in his clerical staff, for the bill of lading, which is more fully described in Chapter VII, is the principal shipping document in the business of ocean line transportation. It not only is the final receipt to the shipper, but it is the official shipping contract; it gives title to cargo covered by it, and when made out to the order of the shipper is a negotiable instrument which is frequently used by the shipper in financing his export transaction by means of drafts or international bills of exchange.

The chief bill of lading clerk obtains authority to sign bills of lading direct from the Board of Directors, for their validity depends upon signature by one who has been authorized to sign for the company. To guard against fraudulent bills of lading the signature of the chief bill of lading clerk is kept on file at the offices of the company's agents in the United States and abroad.

Assistant Bill of Lading Clerks.—In the business organization of a large steamship line or steamship agent there are usually two or three assistant bill of lading clerks who prepare the bills of lading for signature. They check them against the dock sheets obtained from the Wharf Department and the dock receipts which the shipper is asked to return when he presents the bills of lading for signature. They verify the calculations contained in the bills of lading; they compare rates with the tariffs or rate tables with which they are provided; and they insert special clauses into the contract in case notations are found on the dock sheets or dock receipts or other circumstances make it necessary. They need to have knowledge of ocean freight rates, of the clauses contained in the company's bills of lading and of the consular requirements regarding bills of lading enforced by the foreign countries to which the line operates.

[3] Statement by Mr. J. A. Slechta.

Manifest Clerks.—The preparation of the ship's manifests, which contain an accurate list of the vessel's entire cargo, usually requires the services of three or four manifest clerks. Their work is of a responsible character for the ship's manifest is not only an important operating, clearance, entry and accounting document, but its preparation is required, and its form and content is regulated by the Government of the United States and foreign countries.[4]

Speed and accuracy are essential in the work of manifest clerks. They do not begin their work for a given steamer until its loading is far advanced for they need to wait until a considerable number of bills of lading for a particular port are ready for delivery to the shipper. Nevertheless the completion of their manifests may not be delayed because they are required in clearing the vessel at the custom house. The United States Government requires that "a complete manifest be filed on the next day after the clearance of the vessel." Accuracy is essential because consular regulations penalize inaccuracies and in many instances prohibit erasures or corrections. With copies of the bills of lading and exporters' declarations before them, the manifest clerks work with dispatch and accuracy. They are in many instances provided with special billing typewriters that readily take the large forms on which ships' manifests are prepared and enable them to prepare the necessary number of copies at one writing.

Permit Clerks.—The shipping permits referred to above and more fully described in Chapter VII are issued by permit clerks under the direction of the head of the Outbound Freight Department. They are junior clerks of the department and in the organization of a large line or steamship agent there may be one or two for each service. They prepare the permits on the standardized forms of the company and carry them through to the shipper or his forwarding agent.

Clearance Clerks.—The work of carrying through and preparing the documents needed in clearing vessels at the custom house is usually performed by manifest or junior bill of lading clerks. Some lines, however, have special clearance clerks for this work and the actual clearance of the vessel at the custom house is frequently handled through a custom house broker with

[4] Uses and contents of ship's manifest are described in Chapter VII.

whom the line has a standing arrangement for vessel entry as well as clearance. The required documents and formalities incident to clearance are discussed in Chapter VIII, which deals with shipping documents required by the United States Government.

Other Clerks and Office Employees.—During the war the Outbound Freight Department of large lines had *license number* clerks, for the shippers of most commodities were required to obtain export licenses, in some instances from the United States War Trade Board or its branch offices and in others from the Customs Collector, and the steamship lines were not permitted to clear vessels with cargo not covered by the required license. The department also has a number of *junior clerks for general office clerical work,* and the necessary number of *stenographers* and *office boys.*

Traveling Freight Agents.—Directly connected with the Outbound Freight Department there usually are a number of traveling freight agents who are its salesmen or freight solicitors.

Branch Offices and Agencies

Every cargo-carrying steamship line maintains freight agencies or branch offices which are of the greatest importance in the development of its traffic and the handling of its freight business. They are in many instances directly responsible to the Freight Traffic Manager because they are concerned with inbound as well as outbound traffic, but most of their dealings are with the Outbound Freight Department.

Branch Seaboard Offices.—Besides the main traffic office located at the port at which the principal freight services of a line are performed, branch offices may be maintained at other ports in the United States. If the volume of business is small there is less separation of functions among different groups of clerks than at the main office of the Outbound Freight Department, several functions being consolidated under one person. Large branch offices, however, have freight agents and assistant freight agents, chief bill of lading clerks and assistant or junior bill of lading clerks, manifest and permit clerks with duties similar to those of the corresponding agents and clerks in the main outbound freight office.

Freight Department District Offices.—In the district offices maintained by steamship lines at the larger interior cities there is in each case a freight department. The head of the freight department of a district office has a staff of senior and junior clerks for the solicitation and booking of freight and the billing of cargoes to the vessel and to foreign destinations.

Freight Agents.—Steamship lines usually do not depend entirely upon their traveling freight agents, solicitors, port freight agents and district freight agents for the solicitation of freight. Much of their freight is obtained through *freight agents* who work on a commission basis and are bound by contract. Such an agent maintains his own staff of bill of lading and other clerks and stenographers, the size of his staff depending upon the volume of business transacted. There are many freight agents of this kind at interior shipping points and the ports. They act as freight brokers for the lines with which they have connections, and obtain their commission from the lines because they secure freight for them. Yet they also serve the shipper in that they engage cargo space for him, issue bills of lading, and keep him informed as to freight rates and steamship service. They are usually members of approved freight brokers' associations, and many of them are members of the New York Produce Exchange.

Much freight is obtained through ocean freight forwarders, who act not only as freight brokers but as agents for shippers in the actual shipping or forwarding of cargoes. The business of freight brokerage and forwarding is so important in ocean shipping that a more detailed account is given in a subsequent chapter.[5]

Freight Offices Abroad.—As steamship lines need representation at foreign ports, some of them maintain foreign branch offices in which there are freight departments. A freight traffic office similar to that of the home office, but on a smaller scale, performs the usual traffic functions under the supervision of the branch office manager. In many instances, however, arrangements are made with foreign agencies which are not directly a part of the line's own organization, although they may be so closely connected with the line as to virtually become branch offices. These foreign agencies maintain their own traffic organization. They have the usual clerical staff and appoint freight

[5] Chapter VI.

agents and solicitors throughout the territory in which they do business. Since these agencies are separate from the line's own traffic organization there is little interchange of personnel between them and the line's home offices. It has, in fact, been the custom even at actual foreign branch offices and at the district offices maintained in the United States to develop a local staff and to promote clerks and agents within the offices rather than to interchange personnel with the home office. It is the exception rather than the rule to place a man direct from the home office at the head of a branch or district office, because effective freight solicitation depends largely upon an intimate knowledge of local business conditions and acquaintance with shippers.

The Inbound Freight Department

The Inbound Freight Department has charge of traffic work connected with the entry of inbound vessels and the delivery of imported cargoes, and with the development of return freight. The head of the department in a large line may be an Assistant Freight Traffic Manager, an Inbound Freight Traffic Manager or a General Freight Agent. In a smaller organization than that shown in the accompanying chart there may be no distinct Inbound Freight Department, the traffic work incident to arriving vessels and cargoes being handled by a group of inbound freight clerks under the supervision of the same official who is responsible for outbound traffic work, and the development of return freight being handled by the same agents or solicitors who solicit outbound freight.

The Inbound Freight Department, even in case of a large steamship line, is usually smaller than the Outbound Freight Department, because most of the solicitation of inbound freight is done abroad by the freight branch offices or agencies mentioned above. They also handle the booking of return cargoes, the issuing of shipping permits, bills of lading, and ship's manifests, and the preparation of clearance papers at the foreign ports, while the corresponding work in the case of outbound freight is performed by the Outbound Freight Department in the United States.

The Inbound Freight Traffic Manager of a large line may, however, have under his direction a number of inbound freight

solicitors who endeavor to obtain freight from abroad. The routing of imports to the United States is not always left to the foreign exporter; the importer located in the United States may prefer one available line to another and may be in a position to give effect to his preference or at least make known his wishes to the foreign shipper.

The inbound freight clerks under the direction of the Inbound Freight Traffic Manager or other official acting in that capacity usually include several tariff specialists or senior clerks and several junior clerks whose duties are mainly with the custom house. They are concerned with the preparation of the vessel entry papers described in Chapter VIII and they see that the master with the ship's manifest, copies of consular invoices, the crew list, consular bill of health, etc., enters his vessel at the custom house.[6] As in the case of outbound clearance, however, the actual entry of the vessel at the custom house may be left to the master of the vessel and a licensed custom house broker engaged for this purpose by the company. Although the importers or their agents are responsible for the entry of their imported cargoes at the custom house, custom house brokers generally being engaged by them for this highly technical work, the Inbound Freight Department of a steamship line sends a notice of arrival to the consignee so that he may know when to settle with the steamship company as well as with the custom house. It also notifies the custom house of the date on which it is desired that "general order" shall expire. After this date cargo for which the customs authorities have not issued permits to the consignee may be removed from the vessel or pier only on their order and by bonded truckmen, who take them to the general order stores of the custom house. Inbound cargoes, moreover, may be intended for transportation to interior points in the United States, for storage in bonded warehouses, or for transshipment to other steamship lines for reëxportation, and the necessary arrangements with the custom house need to be made by the clerks of the Inbound Freight Department or by custom house brokers.

The Inbound Freight Department also receives the original negotiable copy of the bill of lading or a bond vouching for its production. Several junior clerks are engaged in making

[6] Ship's papers and entry documents are described in Chapter VIII.

freight calculations and after the consignee or his agent has paid the amounts due to the company's Cashier his cargo will be released to him by the company, provided he has received the necessary permit from the customs authorities. The Inbound Freight Department first sends a notice of arrival and freight bill and makes entry in a book of record. After the cargo is ready for delivery to him it sends a final notice of arrival, and after he has settled any amounts that have not been prepaid it sends a delivery order which he presents to the Wharf Department. If all freight has been prepaid, however, the delivery order may be sent with the arrival notice, or as soon as the original bill of lading is surrendered by the consignee. Copies of these delivery documents which are issued in the Inbound Freight Department are reproduced and described in Chapter VII.

Junior clerks are also employed for filing and general office work, and the department has a stenographic staff.

Connection of Freight Traffic Department with Other Departments

In performing its functions the Freight Traffic Department comes into frequent contact with other departments in the company's business organization. The Cashier's office, which is part of the Treasurer's Department, verifies the freight calculations, initials the outbound bills of lading received from the bill of lading clerks and holds the bills of lading until he receives from the shipper or his agent the amounts that are to be prepaid. The Cashier also receives from the Inbound Freight Department the bills of lading delivered by the consignees and holds them until the amounts to be collected are paid. Assistant cashiers and cash book keepers responsible to the Cashier are usually located both in the Freight and Passenger Traffic Departments. The funds received by the Cashier and originating in the Freight Traffic Department, moreover, are audited under the supervision of the company's Auditor, whose office is part of the Accounting or Comptroller's Department.

Almost continual coöperation is required with the Wharf Department, which receives and delivers cargoes and has charge of loading and discharging. The Outbound Freight Department

receives dock sheets and stowage plans from it and sends to it copies of the shipping permits issued to shippers by the permit clerks. The dock receipts, moreover, which are frequently, although not always, returned to the bill of lading clerks by the shippers, are issued by the Wharf Department and its receiving clerks may make important notations on them. The delivery orders issued by the Inbound Freight Department to consignees and presented by them or their agents at the piers are, with the permits obtained from the customs authorities, the basis on which the Wharf Department releases inbound freight.

When a close decision is made regarding the relative spaces in a vessel for cargo or fuel, coöperation with the Superintendent Engineer becomes necessary. When the suitability of a vessel for a trade is under consideration the Freight Traffic Department coöperates with the Marine Superintendent, and if it carries passengers as well as freight cargoes, also with the Passenger Traffic Department. When a vessel is chartered for the use of the line, conferences are held with the Chartering Department Manager, in case the company's organization contains such a department. Similarly, conferences are had with the Passenger Traffic Manager and with the Manager of Operations when the desirability of recommending an extension or change in the company's steamship services is under consideration.

CHAPTER III

ORGANIZATION OF THE PASSENGER TRAFFIC DEPARTMENT OF A STEAMSHIP LINE

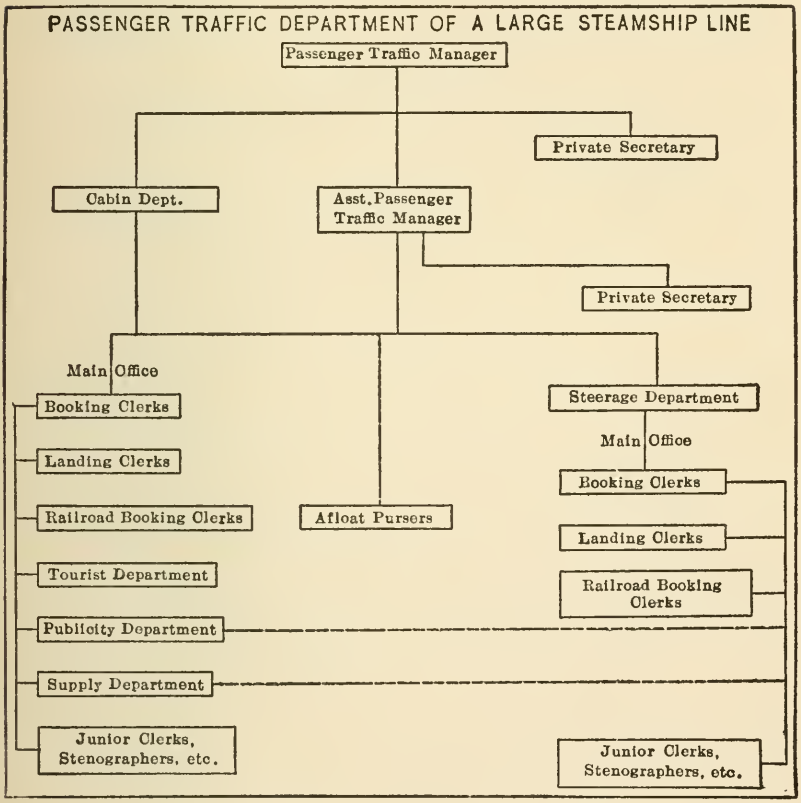
MANY of the regular steamship lines engaged in the overseas trade carry passengers as well as freight cargoes, although the majority of the passenger-carrying lines depend upon freight as their principal source of revenue. The volume of passenger traffic on the routes to the Far East, to Australasia, to South and Central America, to the West Indies, and to Africa has not been sufficiently heavy to warrant the regular operation of vessels designed primarily for passenger accommodations. The relative extent to which passenger liners on these routes carry passengers and freight depends directly upon the total volume of traffic available.

In 1914, just before the full effect of the war in Europe was felt, 1,002,602 ocean passengers were reported as departing from the seaports of the United States and 1,689,667 as arriving, making a total of 2,692,269. Of this passenger traffic 61.3 per cent. was centered at the North Atlantic ports, and normally they handle over 90 per cent. of the total. Their share in 1912 was 95 per cent. and in 1913, 96 per cent. The bulk of this heavy passenger traffic has normally moved over the North Atlantic steamship routes between the North Atlantic ports of the United States and the ports of Great Britain and the Western and Southern European countries.

It was because of this concentration of the passenger traffic that it was possible to operate the world's greatest passenger liners on the North Atlantic routes. Their passenger traffic was sufficiently heavy to warrant the operation of steamers of unusual size, speed, costliness, excellence of equipment, and extent of passenger accommodations. To many of these lines the passenger traffic has been of vast importance, and has resulted in the organization of extensive Passenger Traffic Departments.

The organization shown in the accompanying chart (No. IV) is that of a typical large North Atlantic passenger line. The Passenger Traffic Department of a line carrying a smaller volume of passenger traffic is necessarily less extensive. It performs all of the functions of the larger organization but subdivides

Chart IV



them less minutely among separate passenger traffic officials, agents and department employees.

Passenger and Assistant Passenger Traffic Manager

The head of the Passenger Traffic Department of a large line is the Passenger Traffic Manager, who generally supervises the entire department, administers certain parts of it specifically,

decides on the general policies to be pursued, and performs a number of definite traffic functions. Among the latter is the making of passenger fares. Those in the cabin service are usually directly under his charge. Since on the North Atlantic routes the minimum cabin fares are made by the various lines in agreement, he performs the important work of attending conference committee meetings. To represent his line efficiently it is necessary that he have at his command accurate information as to volume of traffic, receipts and expenses, competitive influences, and traffic needs and limitations. He needs to confer with the heads of other departments and with the agents and staff who handle the details of passenger traffic or come into contact with the traveling public. The cabin fares agreed upon have usually been minimum fares, the actual fare when above this minimum being determined by him in the interest of his company subject to such requirements as may be imposed in the conference agreements.

In making steerage fares the Passenger Traffic Manager has the immediate assistance of the Assistant Passenger Traffic Manager who is usually in charge of the steerage or third class passenger service. In the North Atlantic trade these fares are also made in agreement with the various conference lines. The steerage traffic of the trans-Atlantic lines has, moreover, been pooled, and the Passenger Traffic and Assistant Traffic Managers are responsible for the important work of representing their company when the traffic percentages assigned to the various conference lines are being determined; and for the enforcement of the administrative requirements imposed in the pooling agreements. Highly important matters concerning the manner of sailings, the extension of passenger services, the allotment of ports, the regulation of passenger agents, etc., are also agreed upon in these conference committees.[1] Passenger agreements are less common on other ocean routes, where the freight traffic is of dominant importance, but freight agreements frequently contain provisions regarding the allotment of sailings, ports or tonnage which concern the Passenger Traffic Department and necessitate coöperation with the Freight Traffic Manager.

The Passenger Traffic Manager and his Assistant are also concerned with the classification of passenger services. Classifica-

[1] Ocean Conferences are more fully discussed in Chapter V.

tion has for the most part been standardized into three classes —the first and second or cabin classes, and steerage. Some of the trans-Atlantic lines have, however, subdivided the steerage service into two classes, one of which is for immigrants and the other for steerage passengers who are not immigrants; and first and second class passengers are in some vessels combined into one class known as "cabin" passengers.

As in case of the Freight Traffic Department, the heads of the Passenger Traffic Department consider the desirability of extending or altering the company's services, and make recommendations to the owners. When additional passenger vessels are purchased, constructed or chartered they examine into their suitability for the trade. They formulate the policy of the company with respect to the development of its passenger traffic by advertising, solicitation, tourist departments or agencies, and the increased speed, comfort and safety of its vessels. They determine the form of passenger tickets and see that the tickets, ship accommodation plans, and the necessary information relative to fares, services and sailings are placed into the hands of the company's booking clerks, branch offices and agents. At some ports special arrangements have been made with the railroads for the transportation of steamship passengers, particularly of steerage passengers, to inland destinations.

For purposes of detailed administration the Passenger Traffic Department of a large line is divided into a Cabin Department and a Steerage Department, the former being directly under the Passenger Traffic Manager and the latter under the Assistant Passenger Traffic Manager.

The Cabin Department

In the Cabin Department there are three principal subdivisions, the main office, the branch offices, and the agents.

Main Office Booking Clerks.—In the main office under the Passenger Traffic Manager are the company's booking clerks who book passengers in the cabin classes. A senior or chief booking clerk is in charge of this work; or if the company operates several distinct services to different parts of the world there will be a chief booking clerk for each service. In the cabin services these chief booking clerks and the junior booking

clerks under them need to be men who have at their command much information about the countries to which their line operates and about the countries which can readily be reached by travelers from the foreign ports at which they will arrive. They are continually called upon to answer questions concerning foreign points of interest to travelers; foreign hotel accommodations; foreign rail and steamship connections, and the like. They must possess general refinement because they come into contact with the class of public which travels as cabin passengers. They must be able to use and understand the languages commonly used in the services to which they are detailed because they come into contact with many non-English speaking foreigners. Junior booking clerks are in many instances employed because of their knowledge of foreign languages or some special fitness or qualification possessed by them. Booking clerks are at times sent out to travel over the routes for which they book passengers so as to become personally acquainted with the conditions encountered by travelers.

The clerks in the booking department at the main office must possess the qualifications of salesmen for they personally meet many travelers who engage their accommodations directly through them. They also handle the routine office work connected with the assignment of accommodations to passengers who are booked by agents throughout the country, and by branch and district offices.

Main Office Landing Clerks.—The landing clerks for the cabin service of a steamship line are also connected with the main office of the Passenger Traffic Manager. These clerks board incoming vessels at quarantine; they represent the company with the United States immigration authorities; they endorse tickets when necessary; and they advise the cabin passengers regarding railroad connections to interior destinations. They must, therefore, have the knowledge of experts as to railroad connections and immigration laws, and coming into contact with many foreigners it is desirable that they understand and talk foreign languages. Junior booking clerks frequently become landing clerks, and sometimes a senior booking clerk desiring outside work will become a landing clerk. Some hardship is encountered in bad weather, but the work of a landing clerk is healthful and diversified.

Main Office Railroad Booking Clerks.—Under the landing clerks in the cabin service is a railroad booking clerk and several junior clerks who arrange for the further transportation of steamship passengers desiring to travel to interior destinations.

Traveling Passenger Agents.—Ranking with the senior booking clerks are a number of traveling passenger agents who increase their company's passenger traffic by personal solicitation of individual passengers or groups of travelers, and by instructing and overseeing the line's passenger agents. They also act as the Passenger Traffic Manager's representative when an agent is engaged. They need to possess expert knowledge of the line's services, for they are frequently called upon by the agents to answer questions which the latter are unable to answer.

Tourist Department.—The organization of an ocean steamship line may contain a Tourist Department operating under the supervision of the Passenger Traffic Manager. The main office staff of such a department includes a senior or chief clerk and a number of junior clerks who perform the detailed traffic work connected with vessels assigned to tourist cruises. The chief clerk is frequently recruited from some one of the various tourist agencies who have for years made a special business of taking parties or entire ship loads of passengers on tourist voyages.

A steamship line with a Tourist Department engages in the organized tourist business. Certain vessels are assigned to tourist cruises over selected routes; the men in the Passenger Traffic Department who put through the traffic arrangements need to be well versed in the conditions of travel, and in the history, geography and points of interest of the foreign countries to be toured.

The Publicity Department.—Although passenger traffic is developed partly by personal solicitation, it differs from freight traffic in that it depends more largely upon advertising. So much of a passenger-carrying steamship line's publicity in fact is concerned with its passenger business that its Publicity Department is placed under the supervision of the Passenger Traffic Manager. The department in case of a large passenger line usually includes a chief clerk and several junior clerks, the former usually being a practical advertising man with experience in ocean transportation. In case of a passenger line very largely dependent upon its freight traffic, or in case of a cargo-carrying line, the publicity staff may not attain the position of a depart-

ment, but lines making a real effort to develop their passenger business expend large sums in publicity and prefer to have these expenditures applied effectively.

Steamship advertising and publicity reaches the traveling public in part directly in the form of advertisements placed in widely read weekly and monthly magazines and other publications known to be good mediums for shipping advertisements, and in part through attractive descriptive booklets and circulars, maps, window signs, pictures, vessel accommodation plans, sailing announcements, etc., which are widely distributed. Some of the publicity reaches the traveling public directly, and some of it is inside publicity which is directed to the company's agents, branch offices and booking clerks.

The Supply Department.—The advertising material in the form of framed pictures, booklets, etc., prepared by the Publicity Department is often distributed, not directly by that department, but by a supply department which handles all the supplies provided by the company for the use of its agents and home office. It handles not only supplies originating in the Publicity Department, but also tickets, books and forms and the certificates of appointment of agents. The head of the department may also act as the office paymaster of the Passenger Traffic Department.

The Supply Department is not to be confused with the Victualing Department which under the direction of a Victualing Superintendent and under the general supervision of the Manager of Operations is in charge of all the food supplies needed aboard ship.

Branch Offices.—The Cabin and Steerage Departments of a passenger-carrying line maintain branch offices abroad and at various points in the United States. In many cases the line's branch offices handle both freight and passenger traffic, but they are responsible to the Freight Traffic Department for the one and to the Passenger Traffic Department for the other. If the branch offices are large they have separate freight and passenger departments for the two kinds of service.

As in the freight service a passenger-carrying line frequently maintains branch passenger offices at outports in the United States, each with an organization similar to that of the home office. The head of such a branch office is usually responsible to the Passenger Traffic Manager, but receives instructions from

the Assistant Passenger Traffic Manager regarding the steerage or third class service. There are also passenger departments in the company's district offices located at large interior cities. Branch offices or agencies are maintained to represent the line abroad and to develop and handle its passenger as well as its freight traffic. What was stated in the preceding chapter concerning their organization similar to the home office, and concerning the relatively little interchange of employees, applies also in the passenger service. When arrangements are made with a foreign concern to act as an agent the agent is responsible to the home office but appoints his own personnel.

Passenger Agents.—The Passenger Traffic Department has agents at many points throughout the United States. They are appointed under rules and regulations and in the judgment of the heads of the Passenger Traffic Department and, as in case of freight service work, on a commission basis. They are responsible directly to the Passenger Traffic Manager, but are also a part of the Steerage Department and receive instructions from the Assistant Passenger Traffic Manager regarding the development of the steerage business and the booking of steerage passengers.

The Steerage Department

The responsible functions of the Assistant Passenger Traffic Manager with respect to steerage or third class fares, the pooling of traffic, the classification of services, the extension of services, the examination of newly acquired vessels, and the formulation of general policies were mentioned above because he performs them in coöperation with the Passenger Traffic Manager. He is also the immediate head of the Steerage Department which he administers and supervises. The volume of steerage traffic in the trans-Atlantic trade greatly exceeds that of the cabin services, and its revenue importance is so great as to demand painstaking attention. In 1913, before the war disturbed the passenger business, 75.7 per cent. of the westbound and 65.8 per cent. of the eastbound passenger traffic, and 72.9 per cent. of the total North Atlantic passenger traffic was third class or steerage. But 8.4 per cent. of the total number of passengers traveled first class and 18.7 per cent. traveled second class.

The Steerage Department has branch offices and agents as was stated above, but its main office still needs to be briefly described.

Steerage Booking Clerks.—Steamship lines carrying large numbers of passengers usually have separate booking clerks for the cabin and steerage services. There may be a chief booking clerk for each service in which many steerage passengers are carried and a number of junior clerks under each chief booking clerk. Their main qualification is a knowledge of the service to which they are assigned and of the various languages and dialects spoken by the many foreigners with whom they come into contact.

Steerage Landing and Railroad Booking Clerks.—The landing of steerage passengers may be handled either by the same landing clerks who attend to this work in the cabin services or by separate clerks who are specialists in immigration and emigration. So, too, may the same persons serve as railroad booking clerks in all classes of services, or separate clerks may be assigned to the steerage passengers. In any case the landing and railroad booking clerks when performing their duties in the steerage service are under the supervision of the head of the Steerage Department.

At New York, where the number of immigrants arriving greatly exceeds that at any other American port, the steamship lines and the railroads work in close coöperation in the transportation of immigrants to interior destinations. The eastern and western trunkline railroads have special agents at Ellis Island to issue railroad tickets and divide the total immigrant traffic among the various railroads so that the immigrant service provided by each will be efficiently utilized. The steamship companies agree to sell through transportation from European points to interior points in the United States. Their agents issue steamship tickets to New York and steamship orders entitling the immigrants to further transportation to interior destinations. If destined to points on the eastern trunklines the presentation of their steamship orders to the agents of the eastern trunklines will cause them to issue railroad tickets entitling the immigrants to railroad transportation in the special immigrant train or cars provided for the purpose, and to the special immigrant fares, applicable only to *bona fide* immigrants. If they are destined

to western points the agents of the western trunklines indicate on the steamship order the western railroad route selected by them, after which the agents of the eastern trunklines make out through railroad tickets over this western route and over the eastern trunkline route selected to carry this particular group of immigrants out of the port. This arrangement of the railroads and steamship lines at New York is of advantage to the immigrants who are assured of an organized through transportation service and avoid the risk when ashore of spending for other purposes, or being relieved of the funds with which they had intended purchasing railroad transportation.

The traveling passenger agents, and the Publicity and Supply Departments, though directly under the Passenger Traffic Manager, are also connected with the Steerage Department. The functions performed by them concern both departments. They are responsible to the Assistant Passenger Traffic Manager when dealing with steerage service.

Both the Steerage and Cabin Departments, of course, have clerks for general office work, and stenographers, typists, office boys and messengers. The Passenger Traffic Manager and the Assistant Passenger Traffic Manager, in the typical large line organization contained in Chart No. IV, each has a private secretary concerning whom the account contained in the preceding chapter regarding the opportunities and qualifications of private secretaries is applicable.

Coöperation with Other Departments

The representatives of the Passenger Traffic Departments aboard a vessel are the *purser*, the *assistant purser* and frequently a number of *junior clerks*. The place of these men in the business organization of a steamship line is in the Marine or Deck Department under the Marine Superintendent, but the nature of their work is such that they are also responsible to the heads of the Passenger Traffic Department and to the Treasurer. They are responsible for the collection of passenger tickets and are in charge of the ship's passenger list afloat, the preparation of reports and the performance of various clerical duties. Booking clerks sometimes take positions on board vessels and the line for promotion from ship to shore is open.

Ashore, the heads of the Passenger Traffic Department, as was previously stated, come into contact with the Marine Department and the Freight Traffic Department when questions concerning the extension of services or the acquisition of vessels is under consideration. They also coöperate with the latter department when the company's policy regarding conference agreements affecting both the passenger and freight services are formulated, and when changes are contemplated regarding branch offices or agencies that represent the company in both services.

The Passenger Traffic Department is in close coöperation with the Treasurer's Department, not only in that there are Cashiers or a Cashier's office in both the Cabin and Steerage Passenger Departments to turn the passenger receipts of the company over to the Treasurer, and cash book keepers to keep the necessary records, but also in that the Money Order Department is located in the Passenger Traffic Department. In the typical large line organization shown in Chart No. I of Chapter I the Assistant Treasurer, who is in direct charge of the Money Order Department, has his office in the Cabin Department so as to be conveniently located for the handling of travelers' checks, money orders, and drafts, foreign exchange matters and money changing. This office is also closely connected with the Steerage Department because in this service arrangements are frequently made for prepaid passages and the sale of money orders to immigrants. Many agents for the Steerage Department are money lenders or small bankers with whom the immigrants deposit their earnings, and they make a business of selling both tickets and money orders. The tickets sold by them include many prepaid passages to bring over other members of the immigrants' families.

The Auditor's office, which is part of the Comptroller's Department, has direct connection with the Passenger Traffic Department, because it is responsible for the checking of passage money and passenger tickets sold and has charge of the passenger lists or manifests ashore.[2] Under the Auditor in the Comptroller's Department is a passenger manifest clerk.

Chart No. I in Chapter I shows that the Baggage Department is usually under the supervision of the General Wharf Superintendent, and a detailed description of it is therefore left for the manual of this series on *Wharf Management* by Dr. R. S. Mac-

[2] See Chapter VIII, Form 38.

Elwee and Mr. T. R. Taylor. The Baggage Department is closely connected with the Passenger Traffic Department. The baggage master, the assistant baggage master, and the various cabin and steerage baggage clerks who comprise the department apply the rules and instructions governing the handling of baggage which are issued by the heads of the Passenger Traffic Department.

CHAPTER IV

ORGANIZATION AND ADMINISTRATION OF CHARTERED STEAMSHIP SERVICES AND SHIP BROKERAGE

The traffic conditions favorable to the operation of regular steamship lines do not always obtain, and even when the services of lines are available, shippers—particularly those having full cargoes of bulky commodities—often prefer to charter tramp vessels. The fleets of many steamship lines, moreover, consist in part of chartered vessels. The chartered freight service referred to in Chapter I continues to be of vast importance in international commerce.

It is the purpose of this chapter to trace the various kinds of chartered service and types of tramp operators; the services performed by ship brokers, and their charges and business organization. The varying relations between vessel owners and charterers and their respective responsibilities will be described in Chapters XII and XIII in connection with the time and voyage charter parties which constitute the basic shipping documents in the chartered freight service.

Types of Chartered Services

The most common kind of chartered service is the ordinary tramp service performed when a vessel is chartered by a shipper under a trip or voyage charter to transport a full cargo. The vessel may be chartered to proceed to a destination specified in the charter, or it may be chartered for any one of a range of destinations. In the latter case the master may receive his instructions to proceed to a defined destination before sailing, or he may be ordered to call at some agreed point for orders. When shipping grain to Europe, for example, the destination of the cargo is not always known before the vessel sails. The grain may be sold while afloat, after which delivery orders will be transmitted to the master.

When chartering a tramp vessel for an agreed voyage it may be arranged that the shipper who acts as charterer is to provide a cargo consisting mainly of a certain commodity or commodities and that he shall be responsible for a charter rate based upon a full cargo, but that he may also accept cargo for other shippers at a higher or lower rate of freight than that named in the charter party. The shipper who chartered the vessel is in this case putting the vessel on the berth to fill available space not needed for his own cargo. He pays the agreed charter rate to the vessel owner and in turn receives freight rates from the shippers who avail themselves of the offer.

A tramp vessel instead of being chartered for a full cargo may also be put on the berth by its owner either for a full cargo or for smaller shipments to fill space not already contracted for. So, too, may a tramp be put on the berth for large or small shipments of general cargo by a ship broker, general operator, or speculator who has chartered it from the owner for this express purpose. The vessel in such case is not providing a tramp service in the usual sense; it has virtually been withdrawn temporarily from the tramp service to carry general cargo in competition with the steamship lines; or to provide a general cargo service to points not served by regular lines. The operator is engaging in a speculation and for that reason is most apt to undertake such a transaction when the rates of the regular lines seem to be exorbitant or when a shortage of tonnage has developed.

Steamship line operators frequently charter vessels on time charters to supplement the line vessels owned by them or to conduct a line service in fleets consisting entirely of chartered vessels. To meet a temporary demand a line may even charter a vessel for a single voyage on a trip charter. In either case, however, the vessel has for the time being entered the line service.

Types of Tramp Owners or Operators

Some of the most successful tramp owners have been those with but a single vessel or with small fleets of but two or three vessels. The master of a tramp vessel may in fact be its owner or part owner, and the entire business of operation is at times left to the master. When the owner is not the master he may

maintain an office organization, but it may consist of little else than a correspondent and bookkeeper. The business management of such tramp owners is handled largely by ship brokers who are found at all ocean ports of importance throughout the world.

Again a tramp vessel may be operated not by its owner but by small or large operators who usually charter vessels from their owners on time charter parties. The owners are paid the hire agreed upon in the time charters, and the operators obtain their profits from the effective use of the vessels controlled by them. They may recharter on trip charters, i.e., perform a tramp service in the usual sense; they may place the vessels on the berth for full or part cargoes; they may operate them in ballast when necessary or desirable, or they may recharter them on time charters at higher rates of hire.

Similar to operators of this kind are the large concerns which in England are known as managing owners. Through them, fleets ranging from half a dozen to more than one hundred are managed from one office. Some of the vessels may be owned by the concern, while others are owned by other vessel owners who turn them over to the managing owner for operation on the basis of a percentage of the profits. The following interesting account of the operations of a managing owner is given by Mr. Joseph A. Slechta:

These vessels are seldom, if ever, loaded for the account of the immediate operators or managers. To such a manager, the trade routes of the entire world are treated somewhat as a gigantic chess-board, and upon this the manager manipulates his "pieces" or vessels in accordance with the recommendations of a specialist of the world's industries, markets, and economic conditions, not to be approached in comprehensive thoroughness by men in any other activity of the world's affairs..

It is the duty of these men to plan the voyages of the owner's vessels for a period from six months to two years or more, in advance; consideration is given by them to one and one only ultimate goal,—which is the maximum net profit to be gained from the operation of the fleet. Frequent statements to the contrary notwithstanding, not even considerations of national polity are for a moment allowed to outweigh the question of profit. It is true that frequently the interests of the State are served best in making profit the first prerequisite. If in the past, the managing owners of Britain's great fleets of tramp steamers have so distributed them over the world's trade routes as to advance British trade interests, it has been because in that direction most profit was anticipated. The specialists who study these considerations of gain, having determined that a certain trade offers the best advantages, charter

vessels for that trade to the highest bidder, be he a national or foreign subject or citizen.

Let us take a concrete illustration of a few of the principles involved in such a manipulation of ocean tonnage. Assume that one 7000-ton steamship belonging to such a fleet has just discharged a cargo at New York, or is about to do so. Her next voyage has not yet been determined upon. Offers are received from ship brokers in various parts of the world, and these are before the Board of Experts in the London office. One such offer is, let us say, for a cargo of coal from Newport News to Buenos Aires, the rate to be $5.00 per ton of coal carried. Another shipper of coal for the same market, but from Cardiff, Wales, offers $4.00 per ton on the same conditions. The length of the voyage is about the same in both cases. A third offer is also for a coal cargo at $2.00 per ton, delivered in Havana. At the same time, the current rate for baled cotton from Galveston to Liverpool offers distinctly good returns. Which of the three coal cargoes is finally accepted will depend upon the best available cargoes to be had after the voyage is completed. If the $5.00 rate to Buenos Aires be accepted, the owners note that the vessel will be in the River Plate within six weeks, ready to load, but the wheat harvest will not begin for four months and the current year's crop is nearly exhausted, or shipment already contracted for. The rate of freight offered is the best immediately available, but the owner must plan beyond the first three or even six months. He accepts the $2.00 rate to Havana, although the expenses of discharging, added to his regular overhead, leave little if any margin. He has, at any rate, managed to meet expenses for the greater part of the voyage en route to Galveston. He, at the same time, closes with a shipper of cotton a full cargo to Liverpool, and another with the Cardiff coal company for coal to Buenos Aires. This route brings his vessel to the River Plate at a period of the year when rates should be highest. He may not immediately close this business, say with wheat to Liverpool, having been advised by his experts that the crop in Argentina will be large and that an unusually small number of vessels may be expected to accept business outward to the Plate within the immediate succeeding weeks. Rates on wheat may, therefore, confidentially be expected to advance, and the owner's interests are best served by holding off. Eventually, his experts may find that their calculations have been upset by a sudden drought which will bring crop failures in Argentina; but there has been a large crop of coffee in Brazil, and the sudden failure of the Argentina wheat crop has stimulated the demand for American wheat in France and England. By closing a charter immediately for coffee to New York and wheat from New York to Liverpool, he anticipates a drop in the rates for this business, likely to be brought about by the large numbers of vessels looking for such cargoes when the situation becomes more generally known.

The vessel is once more at an American port, having carried one cargo outward, brought another in, and engaged to carry a second across the Atlantic. In neither case is opportunity afforded to the shipper of American manufactured products to increase his business in South America and many authorities hastily ascribe to the owner motives deliberately calculated to injure American foreign trade interests, when, as a matter of fact, nothing of the sort has happened. The hypothetical case cited is one of the most simple combinations of circumstances with which the owner of large fleets of tramp steamers may be confronted. Ofttimes,

they are vastly more complex, necessitating consideration of an infinitely greater variety of factors, industrial, agricultural and market.[1]

Still another variation in type of tramp owner or operator is the general steamship operator or steamship agent, whose operations are not confined to any one branch of shipping. Many of them are large concerns which act as steamship agents for regular line companies, organize and operate one or more lines on the basis of vessels which they own or charter, do a general ship brokerage business, act as ocean freight forwarders, handle marine insurance, hold the license of a custom house broker and manage fleets of tramp vessels. The same concerns in some instances operate as export and import commission houses or merchants. These general steamship operators are prepared to lease out their own vessels under any of the various forms of charter parties described in Chapters XII and XIII if it should be deemed to be more advisable than to operate them in the line service; and conversely to charter vessels from other owners for operation either in the line or tramp service, as the occasion may warrant.

Before chartering a number of vessels under time charters such a general steamship operator at times makes time contracts with large shippers of sugar or other staple commodities, so that he is assured of a portion of the cargoes needed to operate the chartered vessels. This is his method of limiting his risks, of protecting his profits, or "hedging" his chartering transactions.

A ship broker who is engaged primarily in the ship brokerage business may also at times became a tramp operator. He may be the owner of one or more vessels, and use his brokerage organization and his knowledge of shipping requirements in their efficient operation. He may also charter a vessel on his own account with a view to operating or rechartering it at a profit over and above the charter rate paid to its owner.

There are, moreover, the large shippers who not only own vessels but also charter others mainly for use in their own business. Their prime purpose in owning or chartering vessels is to provide themselves with the private or industrial transportation service referred to in Chapter I. They may operate a line service or dispatch their vessels on an irregular schedule, loading them mainly with their own cargoes, but efficient operation may de-

[1] J. A. Slechta, paper on "Practical Steamship Operation."

mand that they sublet unused space to other shippers and seek available cargoes on return trips.

Services Rendered by Ship Brokers

The chartering of vessels is handled largely through ship brokers. Small owners or operators depend upon ship brokers not only to find charterers for them and sometimes to handle their business affairs ashore, but depend largely upon them for advice as to how the voyages of their vessels should be planned. Larger tramp operators, managing owners and general steamship operators with extensive business organizations of their own and expert chartering managers are less dependent upon outside ship brokers in planning voyages, but they, too, obtain advices from them and frequently carry out their chartering transactions through the medium of ship brokers.

The main work of ship brokers is to find charterers for vessels and vessels for charterers. The owners or operators of tramp vessels seeking cargoes are served by ship brokers who "cover the market" daily, i.e., they keep in touch with shippers who are likely to become charterers. If the desired full cargoes are not available at the port in which a particular ship broker is located and where the vessel has arrived or is about to arrive, he may be able to locate a charterer elsewhere through a ship broker or agent at another port. Instead of chartering the vessel to a shipper on a trip charter, the broker may be able to charter it to a general steamship operator, a regular steamship line, an industrial concern or large shipper, or to a small or large tramp operator on a time or perhaps a trip charter at satisfactory terms. Having arranged the chartering transaction to the satisfaction of owner and charterer the ship broker sees to the preparation of the charter party and its execution.

Ship brokers sometimes are important factors in the loading, discharging, and operation of chartered vessels. Their services in this connection depend upon the terms of the charter party as to whether loading and discharging or either of these services is to be performed by the vessel owner. When attending to the loading or discharging of a vessel for the owner the ship broker in effect becomes what in Great Britain is known as a "loading broker." This term is not in general use in the United States,

but the same work is performed by ship brokers who make the necessary arrangements for the vessel owners. Charter parties sometimes specify that the vessel is "to be consigned at port of discharge to owners or their agents, by whom the steamer is to be reported at the custom house." The owner in this case needs to be represented on the spot, his agent frequently being a ship broker to whom the vessel is consigned. The broker after consulting the principal cargo owners, arranges with the port authorities the dock at which the vessel shall discharge, and on arrival of the vessel sees that the requirements of the custom house are duly fulfilled. If any freight is due at destination, he will attend to its collection; he will provide for the vessels disbursements; and after deducting his own charges will remit the balance to the owners.[2]

Should it be decided by the owner or operator to put a vessel on the berth a ship broker may be instructed to provide cargo and handle the transaction. The ship broker, who then in effect becomes a steamship agent, may advertise the voyage and send notices to shippers who are likely to ship in the vessel, or solicit cargoes from them personally. He makes the necessary docking arrangements, books freight at such rates as the market warrants, arranges for the receipt and loading of the cargoes, signs bills of lading for the owners or master, collects the freight if it is to be prepaid, pays the vessel's disbursements at the port, makes out the ship's manifest, clears her outwards at the custom house, deducts his own expenses and charges and remits the balance to the owners.[3]

Not all ship brokers are equipped to place a tramp vessel on the berth. Many of them, however, are steamship agents as well as ship brokers and possess a business organization suitable not only for chartering vessels but also for loading, discharging and operating. As has been stated, ship brokers sometimes charter vessels on their own account and put them on the berth for cargo.

Ship brokers are also engaged in the selling of vessels. As in a chartering transaction they serve as a medium through which the owner and purchaser get together. When satisfactory selling terms have been agreed upon, the ship broker executes a form of

[2] Douglas Owen, *Ocean Trade and Shipping*, p. 89 (Cambridge, Eng., 1914).

[3] *Ibid.*, p. 90.

contract, and when title passes he executes the necessary bill of sale. He also arranges for the transfer of the vessel to its new owner, which in the United States necessitates obtaining a consular bill of health, an inventory of supplies on board and a certificate of registry. In England some ship brokers are known as "brokers for sale of ship" to distinguish them from "chartering brokers," and "loading brokers."[4] This terminology is not in general use in the United States, and ship brokers here do not confine themselves to one function only. All of them are ready to charter and sell the vessels of ship owners, but some of them are not organized to act as loading brokers.

The business of marine insurance, which is described in a separate manual of this series, is so closely interwoven with ocean shipping that ship brokers usually act also as marine insurance brokers so as to be in a position to attend to the insurance of vessels, freight and cargoes when authorized to do so. They may likewise hold the license of a custom house broker.

Business Organization of Ship Broker

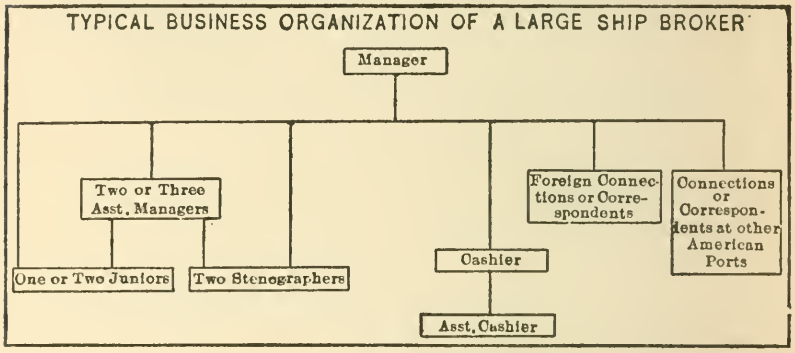
The ship brokerage business is so organized and the nature of the business is such that the comparatively small staff of a broker is able to transact a business of large volume and almost world-wide scope. The business organization shown in the accompanying chart (No. V) may be regarded as that of a typical large American ship broker. There are many smaller ship brokerage concerns, the business organization of which is very much smaller. There are, in fact, instances where a single individual conducts a ship brokerage business, his office facilities consisting of desk room in some conveniently located business office.

In the typical organization of a large ship broker there is a Manager to supervise the work of his staff, to establish connections with ship brokers at foreign ports and at other ports in the United States, to decide matters of importance in connection with charter forms and sales contracts, keep in touch with vessel owners and prospective charterers, plan operations in case he

[4] Thomas E. Scrutton and F. D. Mackinnon, *The Contract of Affreightment as Expressed in Charter Parties and Bills of Lading.* (Seventh Edition, London, 1914).

decides to charter a vessel on his own account, and generally to determine the business policies to be pursued. There are two or three Assistant Managers in the large ship brokerage house, whose main work consists in covering the market daily. They endeavor to keep in almost constant touch with the large shippers and other business concerns that are likely to be in the market to charter vessels. In case a vessel is put on the berth they are also engaged in procuring freight for it. As charter rates are largely determined by bargaining and the sums involved are large they need to have a wide knowledge of charter rates, good business sense and the ability to successfully approach and

CHART V



negotiate with charterers. The variations in the provisions contained in charters are so wide and yet so important to both owner and charterer that they need to possess expert knowledge of charter forms. Types of vessels and their uses are so diverse that they need to be familiar with the essential particulars of the vessels for which they seek charterers. If these vessel particulars are not obtainable from their files they need to consult Lloyds Register or other available sources of information. They frequently possess blue prints of a vessel's deck plan and hold arrangements.

One or two juniors are employed to handle office detail work in connection with the preparation of charter parties, sales contracts and bills of sale, maintaining the office files, custom house work, and other activities engaged in by the brokerage house. A Cashier and Assistant Cashier handle the bookkeeping and finan-

cial work. The staff of this organization also includes several stenographers.

This is a typical office staff for conducting a general ship brokerage business, whether through a large ship broker engaged exclusively in this business or through the Chartering Department of a steamship agent or general steamship operator. The ship broker may, however, equip himself with an additional organization for loading, discharging and operating vessels. Such a staff is not necessarily included in the business organization of a ship broker. If the ship broker is equipped to put vessels on the berth for cargo he virtually becomes a steamship agent and has an organization approximating that described in Chapter II.

Aside from this office organization each ship broker has connections or correspondents at a large number of foreign ports and at other ports in the United States, and he may have branch offices at certain ports. These connections or correspondents usually are themselves ship brokers, so that the ship brokerage business throughout the commercial world constitutes a closely woven business fabric. The ship brokers of the world together "make a complicated web that reaches to all cities of commercial importance. The whole is so bound together by telegraph and cable that, like a spider's web, if touched by anything of importance at any point the whole structure vibrates with the news." [5] It is this practice of establishing connections with each other at many ports that enables the individual ship brokerage house to conduct an extensive business with a small office staff. The main expense of a ship broker in a chartering transaction in many instances results from the extensive use of the telegraph and cable.

Ship brokers frequently are members of associations or exchanges. Many ship brokers, for example, are members of the New York Produce Exchange, which has adopted an approved grain charter party, and approved berth terms contracts which are entered into subject to the rules of the Exchange and with the agreement that disputes arising at the port of loading shall be subject to arbitration at New York as provided in these rules. The rules of the Exchange regulating the steamship business authorize arbitration either by a standing Committee on Steam-

[5] J. Russell Smith, *Organization of Ocean Commerce*, p. 11.

ship Affairs or by private arbitration, and they standardize the practice of the port with respect to lay-days, demurrage, notification of readiness and various other matters referred to in the chapters dealing with charter parties. The Exchange also affords facilities for quoting grain charter rates, for chartering vessels, engaging space, and contracting marine insurance.

Ship brokers may also be members of so-called maritime exchanges. The Philadelphia Maritime Exchange, for example, keeps records of charter parties and the movement of vessels; it has reporting stations with agents, collects current shipping news and shipping statistics, and provides facilities for the arbitration of shipping disputes. It has also standardized the grain charter party and adopted local rules governing vessel demurrage, loading and discharging and the receipt and delivery of various kinds of cargo.

Ship Brokerage Charges and Profits

The usual compensation of a ship broker for chartering a vessel on a voyage charter is a commission in the form of a percentage on the gross amount of freight, dead freight and demurrage provided for in the charter. Dead freight is the difference between the charter rate per unit of cargo applied to the full cargo called for in the charter, and this rate applied to the actual cargo on board, which may be less than a full cargo. Demurrage is the amount paid by the charterer in case loading is not completed within a specified number of days after the vessel is ready to receive cargo or does not proceed at the rate of an agreed number of tons per day. The commission is paid by the vessel owner or operator.

When a vessel is put on the berth for its owner or operator by a ship broker his commission is likewise a percentage of the freight. Under a time charter he receives from the owner or operator a percentage of the gross freight or hire, provided for in the charter party. If he sells the vessel he receives a percentage of the price paid for the vessel.

The broker's commission for chartering vessels or putting them on the berth varies. It may be as low as 1¼ per cent. or as high as 5 per cent., depending upon the size of the vessel, the nature of the services required by the owner, the custom of the

port, and other contingencies. The printed charter forms do not always disclose the actual rate of commission; old forms may be used in which 5 per cent. commission is specified, although the understanding is that the broker shall receive but 2½ per cent.

Some charter parties provide that in addition to the commission paid to the broker he shall also receive the "customary freight brokerage." This usually refers to an agreed or customary amount over and above his commission for attending to the ship's business at the port of loading. As in case of the broker's commission, the presence of this clause in the printed form is not always evidence that the broker in every case receives "the customary freight brokerage."

When a ship broker provides vessel or cargo owners with marine insurance he is acting as a marine insurance broker and obtains a commission from the insurance company. When he acts in the capacity of a custom house broker he receives the customary fees referred to in Chapter IX. Should he charter a vessel on his own account, either to recharter it at a higher rate or put it on the berth, he aims to make a business profit on the venture, for in such case he becomes a vessel operator. If he is a vessel owner as well as a ship broker the revenues derived from his own vessels likewise depend upon whether he can charter his vessels, put them on the berth, or otherwise operate them profitably.

CHAPTER V

RATE AND TRAFFIC AGREEMENTS, POOLS AND CONFERENCES OF OCEAN CARRIERS

THE differences between tramps and lines mentioned in the preceding chapters have a special bearing on the extent to which their rates and services are controlled by agreement. Although a measure of coöperation among chartered vessels has at various times been attempted, complete coöperation is difficult to attain. The vast number of vessels and their owners, the bulky character of the greater part of their cargoes, the relatively small investment required to engage in the tramp service, and the fact that they are not limited to particular routes or ports, have maintained a much greater degree of competition among chartered vessels than among lines. Indeed, the most disturbing element confronting the lines is the frequent competition between the line and tramp services.

CONFERENCE AGREEMENTS IN CHARTERED OCEAN SERVICES

The occasional agreements or conferences that have been arranged among the owners of tramp vessels have been limited in scope and have had no great effect upon charter rates. In 1904, for example, the Sailing Ship Owners' International Union was organized for the object of fixing minimum rates of freight for the principal voyages in which sailing vessels are engaged in bringing freight to European ports from countries outside of Europe. A permanent committee was organized by the union to fix these freight rates from time to time for the various leading foreign ports. In joining the union each member promised to abide by all rates fixed by the union, and not to grant any rebates or commissions. He also agreed to let his ship lie by or sail in ballast if cargo could not be secured at union rates.

[1] This chapter is reproduced from Emory R. Johnson and Grover G. Huebner, *Principles of Ocean Transportation,* Chapter XIX.

The scope and effect of this conference, however, were decidedly limited. It applied only to certain long voyages, such as those from the west coast of South and North America and the return voyages; only sailing vessels were included in the agreement; and these had to be relatively large vessels of an agreed minimum tonnage. The rates agreed upon, moreover, were merely a minimum, which was fixed largely with reference to the line of no profit.

There are also various steamship owners' associations, particularly in Great Britain, that have at times endeavored to control charter rates between certain of the larger ports, but have never exerted a widespread effect upon such charges. They are concerned mainly with obtaining favorable harbor regulations and shipping legislation; government protection against the shipping policies of foreign countries; improved charter parties; reduced coal-trimming charges; favorable tolls; protection against organized labor; or economical marine insurance.[2] In 1905 a number of vessel owners entered into an agreement applicable to the rate on lumber from Norway, Sweden and Russia to Great Britain, Germany, Holland, Belgium and France; but the main work of the organization has been in building up a uniform charter party and in providing rules governing matters such as lumber measurement, loading, discharging and insurance.

At times certain ship operators have complained of agreements making it difficult for them to charter vessels for use in particular trades, such as the trade between Porto Rico and the United States.[3] No evidence has, however, been presented that any considerable number of such agreements have ever been in existence nor that their effect was general. The Porto Rican agreement was possible because the trade of the United States with that island is "coastwise" trade and is not open to the competition of foreign vessels.

Prevalence of Ocean Line Conferences

It is in the ocean line business that coöperation has displaced unrestricted competition. The number of lines is relatively small, their invested capital is relatively large, they usually operate

[2] J. R. Smith, *The Ocean Carrier*, 243.

[3] House Committee on the Merchant Marine and Fisheries, *Proceedings in the Investigation of Shipping Combinations*, I, p. 701.

over definite routes and at a limited number of ports, and much of their traffic consists of high-grade commodities, general cargo, express goods, mail and passengers, from the carriage of which the tramps are ordinarily excluded. Conferences, agreements and pools have become general in the ocean line traffic because their organization and maintenance are less difficult than in charter traffic, and because the competition between ocean lines, if unrestricted, is likely to become so intense and persistent that their successful and profitable management practically requires them to enter into arrangements regulating their interrelations. As was stated in the *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*,[4] made by Professor S. S. Huebner to the House Committee on the Merchant Marine and Fisheries,

> as regards nearly every foreign trade route, practically all the established lines operating to and from American ports work in harmonious coöperation, either through written or oral agreements, conference arrangements, or gentlemen's understandings. The few instances where two or more lines serve the same route and have denied the existence of written or oral agreements for the regulation of the trade, are exceptions and not the rule.

A report on *Shipping Rings,* made in 1909 by a British Royal Commission, showed that line conferences and agreements are similarly almost universal in the international trade of foreign countries.

The European War has resulted in the disruption of some of the conferences and agreements specifically referred to in the above-mentioned government reports. Many, however, were doubtless in effect even during war conditions, and there is no likelihood that the war has permanently altered the need of the ocean lines to coöperate in the future.

Organization of Ocean Line Conferences

The organizations through which the lines administer their agreements, pools or understandings are known as "conferences." They may be informal gatherings or intermittent, irregular meetings, at which rates, sailings or other matters of mutual interest are arranged. There may be nothing but an informal understanding that the traffic officials of one line will consult those of another whenever any rate changes are contemplated,

[4] *Proceedings in the Investigation of Shipping Combinations,* IV, p. 281.

or that a weaker line will follow the rates established by a stronger line. Conferences may, however, be formal organizations with permanent officers, committees, regular or special meetings, rules, and penalties. The Mediterranean Westbound Freight Traffic Agreement, for example, is administered by a general secretary and an assistant secretary, a board of arbitrators, and a convention or committee of line delegates.

The general duties and powers of the secretary and assistant secretary of the Mediterranean Conference are:[5]

1. To receive the statistical statements and manifests, and to examine them and the accounts, for which purpose they have access to the freight offices of the lines and of the agents, where they may examine books, manifests, correspondence, etc.
2. To communicate the statistics and accounts to the lines and act as mediator in general in the transactions between the lines.
3. To control the freight rates, commissions, and rebates, and to see that the lines receive regularly and at the same time all necessary statements.
4. To collect the payment of penalties and effect compensation accounts.
5. To call meetings of the lines and to keep minutes of such meetings.
6. To use every exertion to settle difficulties between the lines in an amicable fashion.

The board of three arbitrators is empowered to settle any disputes that may arise among members. It is appointed each time a dispute arises upon appeal of the parties involved; one arbitrator is appointed by each disputant, and these in turn select as umpire one of three persons named in the Mediterranean Westbound Freight Traffic Agreement. Should either party fail to appoint an arbitrator within fourteen days after notice is given by the general secretary, the one appointed by the other party shall have full power to proceed with the case. The conference delegates of the lines have supreme legislative powers. They meet at regular or special meetings called by the General Secretary to make the underlying agreements or the arrangements that bind the conference lines. The expenses incurred are divided equally between the two groups of lines that are members of the conference.[6] Many of the formal ocean con-

[5] W. H. S. Stevens, "The Administration and Enforcement of Steamship Conferences and Agreements," in *The Annals of the American Academy of Political and Social Science*, September, 1914, p. 136.

[6] The Mediterranean Westbound Freight Traffic Agreement was entered by two groups of lines: (1) The six Italian lines—the Navigazione Generale Italiana, Italia, Veloce, Lloyd Italiano, Lloyd Sabaudo, and Sicula Americana; and (2) four British and German lines—the Anchor, Hamburg-American, North German Lloyd, and White Star.

ferences do not have the elaborate administrative machinery and rules of the Mediterranean Conference, but nevertheless have a definite organization.

In order to guarantee good faith each member of a conference is in many instances required to deposit a stipulated sum, to be forfeited in case it in any way assists a non-conference line, or itself establishes a new service that will interfere with the conference lines. It is also a common conference rule that new lines may not be admitted to membership except by unanimous consent. Different conference lines may, moreover, be interrelated by specific agreement, or a group of conference lines may enter into an agreement with a line that is not a member of their conference. The N. D. L. V. lines have a passenger agreement[7] "L" with the American Line and the Compagnie Générale Transatlantique, and other sub-agreements, known as agreements "G," "J," and "N," as is shown in Chart No. VI. The subsidiary agreements of the Mediterranean Conference lines listed in the diagram are further examples of such interrelationship.

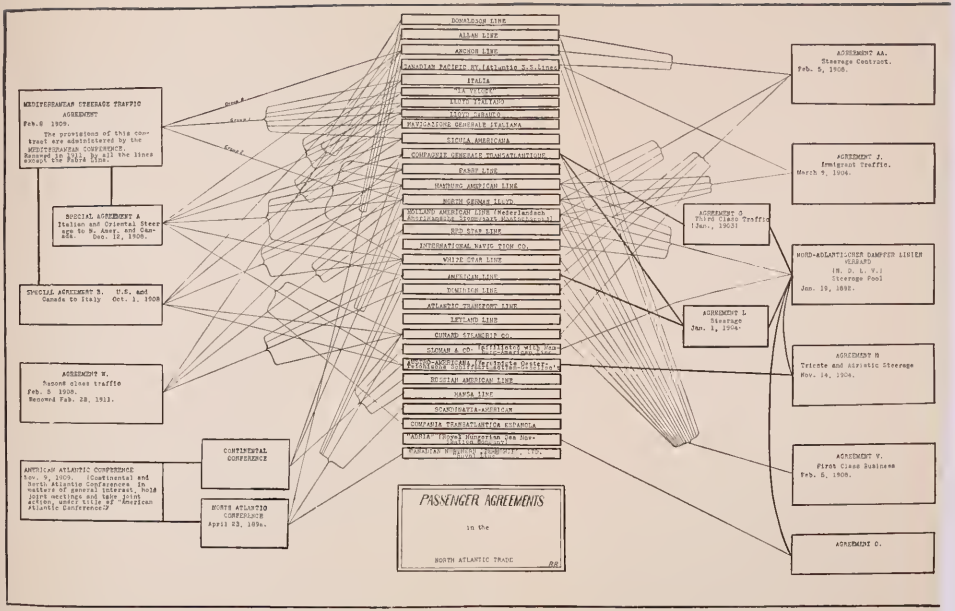
The conference agreements and arrangements of the ocean lines differ greatly in their details, but the unmistakable purpose of all is the control of competition. They may, therefore, be divided into two groups: (1) those designed to control the competition between conference lines, and (2) those aiming to control or combat the competition of non-conference ocean carriers.

Types of Ocean Line Rate Agreements

The competition between conference lines is frequently subjected to the restricting influences of fixed, minimum or differential agreements. A fixed rate agreement is one that specifies the actual or absolute freight rate or passenger fare that is charged by a certain group of conference lines, all charges to be subject to the mutual consent of all members. Such, for example, is the practice under the Mediterranean Westbound Traffic Agreement referred to above. All the lines, with the exception of the Fabre Line, engaged in the westbound freight traffic

[7] The N. D. L. V. conference (Nord-Atlantischer Dampfer Linien Verband) includes the Hamburg-American, North German Lloyd Line, Wilson Line, and the Scandinavian-American Line.

CHART VI


MEDITERRANEAN STEERAGE TRAFFIC AGREEMENT
Feb. 8 1909.
The provisions of this contract are administered by the MEDITERRANEAN CONFERENCE. Renewed in 1911, by all the lines except the Fabre Line.
SPECIAL AGREEMENT A
Italian and Oriental Steerage to N. Amer. and Canada. Dec. 12, 1908.
SPECIAL AGREEMENT B. U.S. and Canada to Italy Oct. 1, 1908
AGREEMENT W.
Second class traffic
Feb. 5 1908.
Renewed Feb. 28, 1911.
AMERICAN ATLANTIC CONFERENCE
Nov. 9, 1909. (Continental and North Atlantic Conferences in matters of general interest, hold joint meetings and take joint action, under title of "American Atlantic Conference.")
CONTINENTAL CONFERENCE
NORTH ATLANTIC CONFERENCE
April 23, 1894.
DONALDSON LINE
ALLAN LINE
ANCHOR LINE
CANADIAN PACIFIC RY. (Atlantic U.S. Lines)
ITALIA
"LA VELOCE"
LLOYD ITALIANO
LLOYD GERMANO
NAVIGAZIONE GENERALE ITALIANA
SICILIA AMERICANA
COMPAGNIE GENERALE TRANSATLANTIQUE
FABRE LINE
HAMBURG AMERICAN LINE
NORTH GERMAN LLOYD
HOLLAND AMERICAN LINE (Nederlandsch Amerikaansche Stoomvaart Maatschappij)
RED STAR LINE
INTERNATIONAL NAVIGATION CO.
WHITE STAR LINE
AMERICAN LINE
DOMINION LINE
ATLANTIC TRANSPORT LINE
LEYLAND LINE
CUNARD STEAMSHIP CO.
SLOMAN & CO. (Affiliated with Hamburg-American Line)
AMERICO-AMERICANA (Fortunate Oester-Sicilianische Schiffahrts-Gesellschaft)
RUSSIAN AMERICAN LINE
HANSA LINE
SCANDINAVIA-AMERICAN
COMPAGNIA TRANSATLANTICA ESPANOLA
"ADRIA" (Royal Hungarian Sea Navigation Company)
"CANADIAN NORTHERN STEAMSHIP, LTD."
PASSENGER AGREEMENTS
in the
NORTH ATLANTIC TRADE
AGREEMENT AA.
Steerage Contract.
Feb. 5, 1908.
AGREEMENT J.
Immigrant Traffic.
March 9, 1904.
AGREEMENT G
Third Class Traffic
(Jan., 1903)
NORD-ADLANTISCHER DAMPFER LINIEN VERBAND
(N. D. L. V.)
Steerage Pool
Jan. 19, 1892.
AGREEMENT L
Steerage
Jan. 1, 1904.
AGREEMENT H
Tricote and Atlantic Steerage
Nov. 14, 1904.
AGREEMENT V.
First Class Business
Feb. 5, 1908.
AGREEMENT O.

between Italy and the United States, agreed to charge the established rates subject to the steamship agency commission as prescribed in the agreement and to deferred rebates not exceeding 10 per cent. of the freight paid by shippers who agree to ship exclusively via the conference lines. Fixed freight rates are also established in the so-called "Baltic Pool" agreement, to which the four lines engaged in the trade between Baltic ports and the North Atlantic ports of the United States were parties before the European War broke out.[8] The N. D. L. V. Westbound Freight Agreement, fixing the freight rates from the ports of the north German seaboard, Holland and Belgium to the ports of the United States, also prescribed fixed rates for general cargo, although certain heavy commodities could be carried at rates not below a prescribed minimum. Fixed rates are likewise prescribed in the agreements or understandings that govern the lines operating from New York to Australia, from New York to South, East and West Africa, from New York to Asia via Suez and return, from New York to most South American ports and return, and from Asia to the Pacific coast ports of the United States.[9]

Minimum rate agreements are more numerous than fixed rate agreements, particularly in the freight and passenger business of the North Atlantic route. The numerous North Atlantic passenger conferences (charted in Chart No. VI) that governed the passenger business before the outbreak of the war in Europe established minimum first and second-class fares for each conference steamer, and a general minimum rate for steerage traffic. The steerage traffic was pooled, however, and any lines that obtained more than their allotment of steerage passengers were required to advance their steerage rates regardless of the prescribed minimum, so as to divert traffic to the short-tonnage lines. In the eastbound and westbound freight traffic between American North Atlantic ports and the United Kingdom, and in the eastbound trade from New York to Mediterranean ports, the lines are also governed by minimum rate agreements. The lines meet in conference and notify each other of their minimum rates upon a large selected list of articles, the rates thus filed being

[8] The Hamburg-American Line, North German Lloyd Line, Wilson Line, and Scandinavian-American Line.

[9] House Committee on the Merchant Marine and Fisheries, *Proceedings in the Investigation of Shipping Combinations*, IV, p. 282.

subject to change only after an agreed period of notice varying from 30 to 60 days. The lines agree not to take freight (certain bulk articles being excepted) below the agreed minimum rates, but any line can serve notice that at the end of the designated period it will change these rates.[10]

The various North Atlantic-European freight rate agreements are charted in Chart No. VII.

When the service of particular lines is indirect or slower than that of others serving the same ports, the conference lines sometimes agree upon differential rates so as to enable the former to obtain a fair share of available traffic. Some of the North Atlantic passenger agreements, for example, provide for differential fares for first and second-class passengers carried on certain steamers; and the Royal Dutch West India Mail Line is permitted to charge freight rates 5 or 10 per cent. under those of the Red "D" Line on freight shipments between New York and Venezuelan ports.

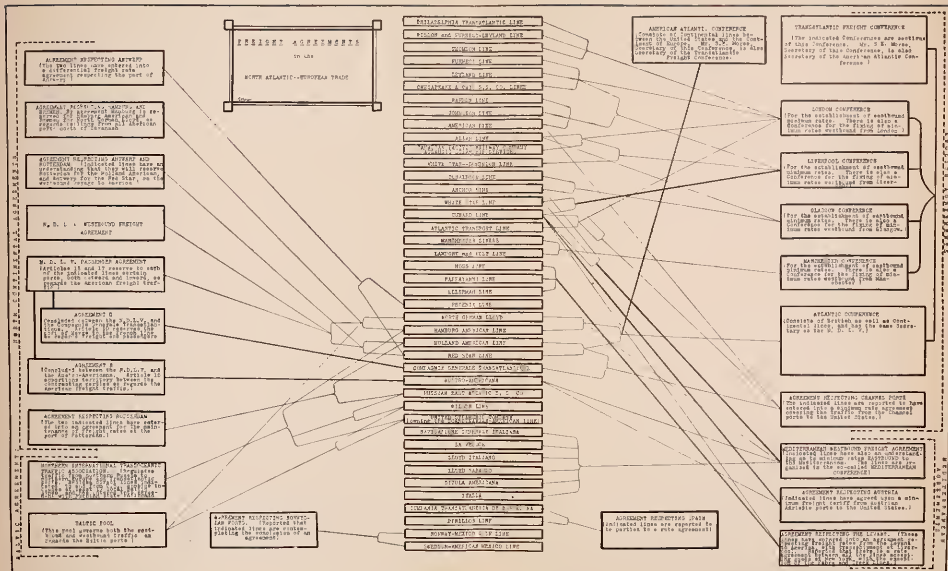
Ocean Line Pools

Many ocean lines go further than to agree upon their rates. Some of them enter into "pooling" arrangements so as to destroy the incentive of any of the conference lines to undercut the agreed rates. The conference agreements may provide either for a traffic pool or a money pool, although in practice the two are so closely allied that the one merges into the other. Their purpose in either case is to guarantee that each conference line will obtain a fair share of all freight or passenger monies included in the agreement, and that each will carry a fair amount of traffic. The North Atlantic passenger line conferences operate typical traffic pools. In the N. D. L. V. agreement of 1892, for example, it was provided that the total number of steerage passengers carried from European ports north of Cadiz or from British ports to or via the United States and Canada shall be divided according to the following percentages:

The North German Lloyd Line, 39.7 per cent.
The Hamburg-American Line, 24.8 per cent.
The Red Star Line, 13.5 per cent.
The Holland-America Line, 8 per cent.
For the British lines, 14 per cent.

[10] House Committee on the Merchant Marine and Fisheries, *Proceedings in the Investigation of Shipping Combinations,* IV, p. 282.

Chart VII



FREIGHT AGREEMENTS
in the
NORTH ATLANTIC--EUROPEAN TRADE
PHILADELPHIA TRANSATLANTIC LINE
CUNARD LINE
ATLANTIC TRANSPORT LINE
NORTH GERMAN LLOYD
HAMBURG AMERICAN LINE
HOLLAND AMERICAN LINE
RED STAR LINE
LLOYD ITALIANO
ITALIA
NORWAY-MEXICO GULF LINE
AMERICAN ATLANTIC CONFERENCE
TRANSATLANTIC FREIGHT CONFERENCE
LONDON CONFERENCE
LIVERPOOL CONFERENCE
GLASGOW CONFERENCE
ATLANTIC CONFERENCE
AGREEMENT RESPECTING CHANNEL PORTS
AGREEMENT RESPECTING AUSTRIA
AGREEMENT RESPECTING SPAIN
BALTIC POOL
AGREEMENT RESPECTING ROTTERDAM
NORTH CONTINENTAL AGREEMENTS
ENGLISH AGREEMENTS
MEDITERRANEAN AGREEMENTS
BALTIC AGREEMENT

In 1909, when the agreement was renewed, the proportions of the four N. D. L. V. lines were changed so that the westbound steerage passengers carried by them were divided as follows:

The North German Lloyd Line, 42.46 per cent.
The Hamburg-American Line, 31.38 per cent.
The Red Star Line, 15.55 per cent.
The Holland-America Line, 10.61 per cent.

This traffic agreement required each line to render statements of the number of passengers carried and the amount of tonnage employed three times each month to the secretary of the conference, who then prepared monthly accounts showing the position of each line. If the tonnage employed by a given line was increased the line was entitled to a stipulated increase per 1,000 tons in the number of steerage passengers carried, and if its tonnage declined, its allotted share similarly decreased. If the number of steerage passengers actually carried by a line was above or below its allotted percentage of total steerage business, it could, upon notification of the secretary, take measures to bring about a correct adjustment; and if at the end of any year the annual steerage traffic of a given line exceeded its proportion it was required to pay to the lines that did not reach their allotted quota an agreed amount or so-called "compensation price" per excess steerage passenger.

Most steamship line pools, however, are essentially money pools. A money pool may include merely the freight resulting from a single commodity or classification of articles, as in the case of the "Baltic Pool," previously mentioned, in which the freight received from certain commodities carried between the Baltic ports and the American ports of the North Atlantic are distributed in accordance with agreed percentages. The total freight monies of certain conference lines may, however, be pooled, as was done under the N. D. L. V. westbound freight agreement. A more common arrangement, especially in long-distance trade, is to pool the net freight revenues resulting from the carriage of all freight cargoes, i.e., certain expenses incurred in the operation of the steamers, transshipment cost, stevedores' wages, agency commissions, etc., are deducted from gross freights and only the remainder is divided among the conference lines according to agreed proportions.

Examples of such pools are the Mediterranean westbound freight pool, mentioned above, the Calcutta-Pacific Pool,[11] applicable to freight shipped from Calcutta to American Pacific coast ports, and the American Asiatic pools,[12] applicable to the eastbound and westbound freight shipments between the Far East and the Atlantic ports of the United States via the Suez Canal. The specific deductions made in order to arrive at net freight vary in the different pooling agreements. In some pooling agreements, moreover, only a portion of the freight money is pooled. The Hamburg-American and the Royal Mail lines pooled 50 per cent. of their earnings (except those derived from certain special commodities) in the trade between New York and Jamaica, Colon and Colombian ports; and the conference lines[13] in the New York-West African trades pooled 75 per cent. of both their freight and passenger receipts.

The percentages agreed upon are usually allotted to the individual lines of a conference, but they may be allotted to groups of lines. In the New York-West African pool the money is divided equally between two groups, comprising the British and German conference lines, respectively; and in the Mediterranean westbound freight pool there is an equal division between a group of Italian lines and another group of British and German lines.

Some pools are traffic pools as well as money pools, "the lines aiming to divide both the volume of freight and the freight money in the same percentage for both."[14] In the "Baltic Pool," for example, each of the four conference lines was obliged to carry a volume of freight no greater than the percentage of revenue allotted to it; if it over-carried, it would, at the end of each period of six months, pay the difference to the under-carried lines in

[11] Bank Line, Canadian Pacific Railway Company's Steamship Line, China Mutual Steam Navigation Company, Great Northern Steamship Company, Ocean Steamship Company, Nippon Yusen Kaisha, Osaka Shosen Kaisha, Tpyo Kisen Kaisha, Pacific Mail Steamship Company, Indo-China Steam Navigation Company, and the Apcar Line.

[12] American and Oriental Line, Barber and Dodwell Lines, United States and China-Japan Steamship Company, American-Asiatic Steamship Company, Anglo-American Oil Company, and American and Manchurian Steamship Line.

[13] Woermann Line, Hamburg-American Line, Hamburg-Bremen-African Line, African Steamship Company, British and African Steam Navigation Company, Elder Line, and Elder, Dempster & Co.

[14] W. G. Sickel, "Pooling Agreements," in *The Annals of the American Academy of Political and Social Science*, p. 149, September, 1914.

cash. When necessary, a flow of traffic from one line to another was forced by readjusting their rates until the full percentages were secured.

Other Methods of Controlling Competition Between Conference Lines

The traffic pool, which is really a method of apportioning traffic between conference lines, differs somewhat from a traffic agreement which limits the volume of freight that certain lines may carry. The White Star Line, which operates an indirect service from New York to Australian ports by way of Liverpool, for example, has an oral understanding with the through direct lines [15] that it will not carry more than one-quarter of the total measurement cargo carried to Australia by the four lines combined. The White Star Line does not, however, pool its traffic or earnings with the direct lines, nor is it hindered in the quotation of its rates.

The traffic of conference lines is frequently apportioned in a measure by agreements restricting the number of sailings of each line. In the American-Brazilian trade, for example, before the outbreak of the European War, the Lamport and Holt Line, the Prince Line and the joint service of the Hamburg-American and Hamburg-South American lines were each allowed 24 sailings per year from New York; and the sailings from Brazil of the Lamport and Holt Line were unrestricted, while those of the Prince Line were limited to 24 sailings to New York and 12 to New Orleans. The German lines were limited to 24 sailings to New York per annum, and they agreed to withdraw entirely from the Brazil-New Orleans trade. The previously mentioned New York-Orient agreement of the lines operating via the Suez Canal also limits the sailings of the conference lines, and provides for mutual arrangements as to the order in which their vessels may take the berth.

A variation from this method of apportioning traffic is followed by the direct lines in the trade from New York to Australia. Their agreement stipulates the vessel tonnage that each line may provide. The American and Australian S.S. Line is

[15] American and Australian Steamship Line, United Tyser Line, and United States and Australasia Steamship Company.

allotted 42½ per cent. of the tonnage, the United Tyser Line 35 per cent., and the United States and Australasia S.S. Co. 22½ per cent. In the outbound trade from the United States to South and East Africa the conference lines similarly agreed that the Union Castle Line may provide two-sevenths of the tonnage, and the Bucknall S.S. Line, the Clan Line, the Hansa Line, the Houston Line, the Prince Line, one-seventh each.

The traffic may, moreover, be apportioned by allotting the ports of sailings. Thus the Hamburg-American and North German Lloyd lines in the trade from all American ports north of Savannah allot to each other respectively the ports of Hamburg and Bremen. The N. D. L. V. conference similarly reserves certain European ports to each of its four members. The New York and Cuba Mail Line and the Compañia Maritima Cubana have apportioned Cuban ports in the Cuba-New York trade; the Royal Mail Line, in its agreement with the Hamburg-American Line, agreed not to extend its American service to Santo Marto and the ports of Haiti; and the Russian East Asiatic Line agrees to confine its American trade to Russian ports when possible, and to maintain the rates of the Holland-America Line in case it is obliged to call at Rotterdam.[16]

Methods of Controlling Competition of Non-Conference Lines

One of the most effective measures taken by some of the conference lines to protect themselves against the competition of outside, non-conference lines is the deferred rebate system. Shippers are promised a rebate of 5 or 10 per cent. of their freight payments at the end of designated periods of three, six or twelve months, provided that meanwhile they have given their exclusive support to the conference lines. The system is now illegal under the Shipping Act of September, 1916, so far as the trade of the United States is concerned, but was especially common in the long-distance trades, such as the trade at South American and Oriental ports. Deferred rebates may be paid even by lines that are not members of a conference.

The use of "fighting ships," or collective competition, has also

[16] House Committee on the Merchant Marine and Fisheries, *Proceedings in the Investigation of Shipping Combinations*, IV, p. 284.

been utilized as a means of protection. There have been instances where, in order to destroy the competition of non-conference lines, certain steamers were set aside to undercut the rates of outside lines and to sail on the same days and between exactly the same ports. Sometimes a separate company was incorporated to operate the fighting ships, the future use of which in the American trade is also prohibited by the Shipping Act of September, 1916.

Conference lines, either individually or as a group, may also make contracts with shippers, whereby in return for reduced rates and an agreed service the shippers agree to dispatch via the conference lines their entire shipments to certain ports during agreed periods. The privilege of securing such contracts is usually open to all shippers alike, but has at times been a source of discrimination. Contracts have been made with large shippers for all or a part of their freight at lower rates than those quoted on smaller quantities of similar commodities. The Shipping Act, however, prohibits unfair discriminations in the future. Numerous preferential agreements have also been made with various American railroads.

Complaints Against Conferences

The conferences, agreements and understandings of ocean lines have sometimes been complained of on the grounds that their monopolistic power, even though not always complete, is liable to abuse. They have at times prevented the establishment of new lines and crushed non-conference lines; or they may have exerted a certain degree of arbitrary power over rates, dominated shippers, been indifferent as to the landing of freight in proper condition and slow to settle claims. They have sometimes granted special rates and accommodations to large shippers, and refused to publish tariffs and classifications. Their secrecy, and questionable practice of paying deferred rebates, and their occasional operation of fighting ships have especially been sources of complaint. There is nothing inherent in the complaints mentioned that cannot be remedied by proper remedial legislation. Indeed, the most objectionable features of ocean conferences and agreements have been prohibited by the Shipping Act of September, 1916, and their entire administration has been subjected to super-

vision by the United States Shipping Board. The advantages of ocean conferences and agreements both to the lines and to the shippers need not be sacrificed in order to eliminate their disadvantages.

Advantages of Conferences

Arbitrary rate discrimination by ocean conferences is the exception. For every such instance there are many in which the conferences, by controlling unrestricted competition, have made the rates to all shippers at a given port more uniform. For every arbitrary discrimination between countries there are many instances in which conferences have maintained the rates from the United States to foreign markets on a parity with those from other countries. The arbitrary increase of rates by conferences is, likewise, exceptional, because they cannot ordinarily disregard the competitive forces mentioned in the preceding chapter. All such arbitrary action could be further restricted by government supervision. It should be remembered that there is no more prolific cause of discrimination than unrestricted competition.

Ocean conferences, moreover, benefit both the conference lines and the shippers by stabilizing rates. The merchant engaged in international trade desires an adequate service at rates that are reasonable and fairly stable; fluctuating rates seriously interfere with trade, whether it be domestic or international. Sudden and large changes, often characteristic of ocean rates, may interfere with the development of commerce as seriously as the unstable competitive rates by rail in the United States have in times past hampered the industrial development of different sections of the country. Reasonable stability of rates reduces the speculative uncertainty of shipping, it facilitates the calculation of net prices, it reduces the complaints of foreign customers, steadies the flow of international trade, and makes it possible for both shippers and carriers to enter more readily into forward contracts for the carriage of freight.

The chief benefit of ocean conferences to shippers, however, is in the improved service which they make possible. Conferences reduce the cost of the line service, and while this increases the profits of the line, it also makes possible a lower level of rates and a higher standard of service. For every instance of indiffer-

ence to the welfare of shippers, there are many in which ocean conferences have promoted regularity of service, a better distribution of sailings, and ultimately the operation of more and better vessels than the lines would have dared to provide if interline rate competition were absolutely unrestricted. The instances in which conferences have prevented a new line from entering a trade or have crushed a non-conference line should be balanced against the large number of weaker conference lines which would probably be crushed or would suffer severely if they engaged in uncontrolled competition with their stronger fellow members. Against the scattering instances where conferences may have discriminated unfairly against certain ports should be balanced their ability to distribute their cost of service more economically so as to increase the number of sailings at the smaller ports where competitive services would be unprofitable. On well-established trade routes where the flow of traffic is heavy in volume it should, moreover, be borne in mind that most of the conferences have to do almost entirely with rates and earnings. Nowhere in the world has such progress in ship construction and service improvement been made as in the North Atlantic passenger business, and yet the great lines that compete so keenly as regards the kind of service rendered are parties to rate agreements and pooling arrangements. Conference control over rate competition so enhances the security of the capital invested in these ocean lines as to render it easier for them constantly to improve their facilities and yield to the demands of the traveling public.

These benefits to the shipper and the ocean traveler may, however, in individual instances, be largely nullified by the steamship conferences, if they follow a policy of restricting the development of the service, and a policy of high rates and small volume of business instead of low rates and maximum traffic. Instances are not wanting of arbitrary action on the part of the steamship organizations to prevent outside lines from interfering with the established traffic of the associated companies, or to become members of their conferences, and shippers have sometimes been penalized for patronizing lines not belonging to the combination. The tendency of those possessing exclusive privileges is to seek vigorously to retain such privileges against outside interference;

accordingly, it is clear that conferences among ocean carriers, which seem to be rendered necessary by the severity of unrestricted competition, should be carefully supervised and regulated by governmental authority, as is required by the Shipping Act of September, 1916.

CHAPTER VI

OCEAN FREIGHT FORWARDING AND FREIGHT BROKERAGE

A DISCUSSION of the traffic organization of ocean shipping would be grossly incomplete without mention of ocean freight forwarders and freight brokers. Ocean freight forwarding, sharply defined, refers to the actual forwarding and handling of shipments by forwarders acting as agents for ocean shippers, and ocean freight brokerage similarly defined refers to the booking of cargoes or the engaging of freight by freight brokers, but in practice these two functions are so frequently performed by the same concerns that this distinction is not always maintained. The many ocean freight forwarders found at all large ocean ports and at some interior points perform a forwarding and also a freight brokerage business, and their profits are received from both.

Nature of Services Performed

Acting as freight brokers these ocean freight forwarders assist the steamship companies in securing freight. There has sometimes been a tendency on the part of the ocean carriers, particularly during the war when there was no difficulty in obtaining cargoes, to prefer to book cargoes without the medium of brokers, and to refuse to pay the usual brokerage, but in normal times, when cargoes are not readily at hand, many steamship lines have regarded the services of freight brokers as of value to them. The economic value of the ocean freight brokerage business does not, however, end with the securing of freight for the steamship lines. Many manufacturers and shippers, particularly those located in the interior, depend upon ocean freight forwarders and brokers to keep them fully posted on ocean freights and services and to engage their cargo space for them. The difficulty of obtaining current ocean freight rates which are subject to sudden fluctuations, and of engaging space was con-

sidered of sufficient value by many shippers during war conditions to induce them to pay the brokerage fee which some of the steamship lines for the time being refused to pay, or would pay only to such forwarders as agreed to become members of a specified freight brokers' association. Importers also find ocean freight forwarders and brokers a convenient source of information regarding ocean freights on imported cargoes. As these import freights are frequently quoted by the steamship agents at the foreign ports, difficulty is at times experienced in obtaining information from the steamship agents located in the United States.

When acting as ocean freight forwarders these concerns, serving as agents of shippers who prefer not to handle their export shipments at the ports of export and beyond, take entire charge of an export shipment from point of origin to final destination or throughout any part of the voyage or trip. In doing so they act as port representatives who receive the shipments consigned to them, make the necessary arrangements with rail and ocean carriers, have the shipment carted or lightered, see that it gets aboard the vessel, attend to the preparation of the shipping documents described in subsequent chapters and any trade formalities that may arise at the ports, pay freight and insurance premiums if so instructed, clear cargoes through the custom house, and generally attend to the transportation and shipping services incident to an export or import transaction. Under war conditions the forwarders have also attended to the obtaining of railroad shipping authorities, and have applied for or obtained information regarding export licenses. Whenever it becomes necessary to store freight after arrival at the port they make arrangements for storage. They frequently act not only as representatives or agents at the port of export, but provide a through freight service including delivery at inland destinations in foreign countries.

Ocean freight forwarders may also perform a service to the shipper when they quote through freight rates to a foreign destination. Railroad companies in recent years have only in exceptional instances quoted through rail-ocean rates from interior points in the United States to foreign ports, and ocean freights in the foreign trade usually apply from the American port of export to the foreign port of entry. Ocean freight forwarders,

however, stand ready to quote a freight charge that will carry the export shipment through to interior destinations in foreign countries. Interior destinations to which they will not quote through rates are exceptional.

They are, moreover, in a position to offer reduced rates on small packages which if shipped directly by the shipper in the ocean freight service might come into conflict with the relatively high minimum freights provided for in the bills of lading of many steamship companies. By combining the small packages of a number of shippers, freight forwarders may quote rates on package freight that result in a saving to the individual shippers and at the same time yield a profit to the forwarder. Ocean freight forwarders when handling package freight are performing an international express service. Several of the regular domestic express companies,—the American, Adams and Wells-Fargo & Company,—are also engaged in the handling of international express goods. They do in fact conduct a general ocean freight forwarding business, but because of the large number of express offices maintained by them throughout the country they reach a large number of shippers with small express packages.

The difference between carload and less than carload railroad rates or the privilege of mixing freight in carload lots authorized in some railroad tariffs also enables freight forwarders at times to forward export freight from interior points to the port of export at a saving to the individual shippers of less than carload lots and a profit to themselves. Some of the ocean freight forwarders have established offices at interior points, not only to reach interior exporters more directly, but also to consolidate shipments into carload lots. Especially important in this connection were the export tariffs of the transcontinental railroads which quote not only export class rates and commodity rates on many specified commodities to Pacific coast ports when destined to Oriental, Australasian, and in a few instances to Central and South American, Mexican and Hawaiian destinations, but also so-called "all commodities" rates applicable to all but certain excepted export commodities when routed overland in straight or mixed carloads having a minimum carload weight of thirty thousand pounds. Interior forwarders engaged in thus consolidating or bunching less than carload shipments for export are engaged in a railroad forwarding business as well as in the usual

business of receiving shipments at the ports and forwarding them to foreign destinations.

Ocean freight forwarders render a further service to shippers in case the latter wish freight charges to be collected from the consignee at destination, although ocean carriers insist upon prepayment of freight. An ocean freight forwarder may forward shipments on a collect basis, even though he is required to prepay the freight demanded by the steamship company, thus carrying the shipper until the foreign agent of the forwarder has collected the freight from the consignee at destination.

They also endeavor to handle goods refused by the consignee to the best interests of the export shipper. When instructed by the exporter they undertake to provide the marine insurance desired by him, thereby relieving him of the necessity of himself obtaining it from marine insurance companies or underwriters.

Some of them assist the exporter in the United States and foreign consignees abroad in financial matters. Shippers may arrange with their ocean freight forwarder to advance the invoice price of their shipments, the forwarder then collecting from the consignee either through his foreign agent at destination or by means of drafts handled through the regular international exchange bankers or brokers.

The financial work of the domestic express companies who conduct a foreign express and forwarding business also includes the issue of travelers' checks, foreign money orders, and letters of credit; the transfer of funds by telegraph; and the operation of a "foreign postal remittance" service for the remittance of money to persons not located near a bank.

Some of the ocean freight forwarders have also branched out into the field of foreign trade as distinct from shipping, in that they offer to give trade information useful to their customers in buying or selling goods abroad. Some have gone so far as to act in the capacity of foreign purchasing or selling agents.

Business Organization of Ocean Freight Forwarders

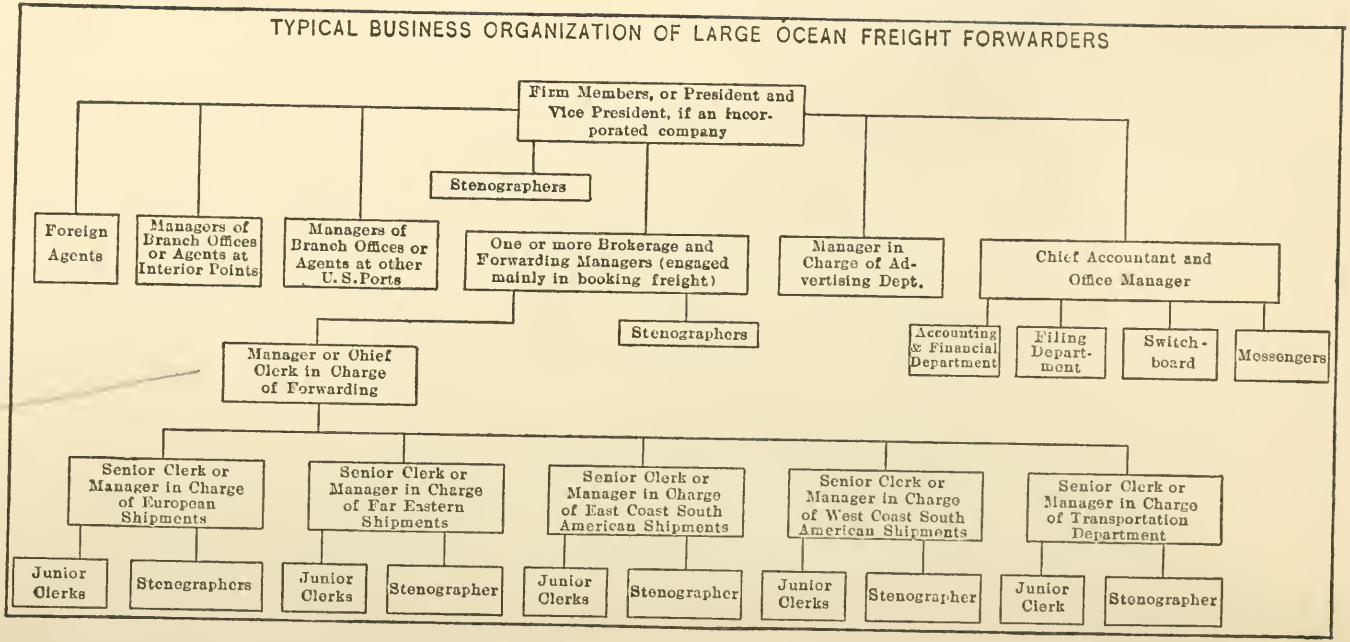
The business organization of ocean freight forwarding concerns is subject to so many variations that it is impossible to construct a single organization chart that conveys a comprehensive view or is in all respects typical. Chart No. VIII accompanying

this chapter will, however, convey a general idea of how many of the larger concerns are organized to do business. The organization of each of the large forwarding companies of course varies with the volume of business handled, the extent to which they specialize in shipments to particular parts of the world, the kind of services offered and the differing views of its firm members or higher officers as to how its forces should be effectively organized. There are also smaller forwarding concerns, the business organizations of which are less extensive than that indicated in the chart.

The main office of most of the ocean freight forwarders is located at some one of the seaboard ports, the larger forwarders, however, having agents or branch offices at some of the other ports so as to facilitate the routing of inland freight through more than one port and also so as to share in the freight originating at several ports of export. They have, moreover, seen fit to establish agents or branch offices at various interior points at which much export freight originates so as to get into closer touch with interior manufacturers and exporters and to engage in the work of consolidating less than carload lots of export freight. An ocean freight forwarder mainly located at the seaboard may have an "overland department" at Chicago or other interior points to handle overland traffic routed through the ports of the Pacific Coast. Some concerns known as interior forwarders have their main office at an interior point, in which case they may have agents, representatives or branch offices at some of the ocean ports and at other interior shipping points.

American ocean freight forwarders and domestic express companies engaged in the international express or forwarding business handle most of their business abroad through foreign concerns with whom they have made business arrangements. Some of them have established their own branch offices or agents at a limited number of the principal foreign cities in which they operate, but they do not for the most part have their own business organizations abroad. They have entered into agreements with foreign freight forwarders or so-called "spediteurs," the American forwarder agreeing to consign to his foreign agent all freight or express matter forwarded to the territory covered by such agent; and the latter in turn obligating himself to handle such consignments and to forward through the American for-

Chart VIII


TYPICAL BUSINESS ORGANIZATION OF LARGE OCEAN FREIGHT FORWARDERS
Firm Members, or President and Vice President, if an incorporated company
Stenographers
Foreign Agents
Managers of Branch Offices or Agents at Interior Points
Managers of Branch Offices or Agents at other U.S. Ports
One or more Brokerage and Forwarding Managers (engaged mainly in booking freight)
Manager in Charge of Advertising Dept.
Chief Accountant and Office Manager
Stenographers
Accounting & Financial Department
Filing Department
Switchboard
Messengers
Manager or Chief Clerk in Charge of Forwarding
Senior Clerk or Manager in Charge of European Shipments
Senior Clerk or Manager in Charge of Far Eastern Shipments
Senior Clerk or Manager in Charge of East Coast South American Shipments
Senior Clerk or Manager in Charge of West Coast South American Shipments
Senior Clerk or Manager in Charge of Transportation Department
Junior Clerks
Stenographers
Junior Clerks
Stenographer
Junior Clerks
Stenographer
Junior Clerks
Stenographer
Junior Clerk
Stenographer

warder who is party to the agreement such freight and express matter as is forwarded to United States, and is not otherwise specifically consigned. Each transaction is handled on the basis of a waybill which gives instructions to the foreign agent and which he returns with a statement of his charges. These waybills and other forwarding documents will be described in Chapter XI.

The ocean freight forwarding and foreign express business differs from the domestic express business, also, in that no special time contract for the transportation of cargoes is entered into with the ocean steamship companies. The practice in the domestic express business of signing contracts under which an express company agrees for a stated period of time to pay a percentage of its gross receipts to a railroad and under which the express company receives a monopoly of the express business handled on a given railroad route does not prevail in the ocean forwarding business. Ocean freight forwarders in the overseas trade are free to route their consignments via the first available steamer. These relations with ocean steamship companies are in this respect like those of other shippers. Such time contracts as have been entered into by express or forwarding and steamship companies are found mainly in the coastwise and Great Lakes business, where the number of available steamship lines between two points is small or the sailings of a particular line are frequent, thus approximating the conditions which obtain when domestic express matter is shipped by rail.

The main office of the typical large ocean freight forwarding organization shown in Chart No. VIII is assumed to be located at the port of New York. The members of the firm, of which there may be several, generally supervise the entire business organization, but are largely occupied in keeping in touch with the firm's customers and in booking freight with steamship companies. One or more Brokerage and Forwarding Managers, reporting to the firm members, generally supervise the forwarding staff but are likewise engaged largely in booking cargoes. The firm members and these managers together conduct the firm's freight brokerage as distinct from its forwarding business. In some forwarding organizations the booking of freight is handled directly by the managers or chief clerks in charge of the groups of the clerks

or departments that forward freight to particular parts of the world.

The forwarding staff of a large ocean freight forwarding house is likely to be under the immediate charge of a Manager or Chief Clerk in Charge of Forwarding, although no definite terminology has been developed. If a large volume of shipments is forwarded to various parts of the world the forwarding work under his supervision is in many instances subdivided geographically. Thus in the chart, the forwarding of shipments to four sections of the world is handled by separate groups of men. Each group or department is in charge of a senior clerk, under each of whom are from two to five junior clerks and one or two stenographers. In some forwarding organizations this work is definitely divided among departments, each of which is in charge of a Forwarding Manager. In an organization of this kind the shipments of a customer are split up geographically and the entire forwarding work connected with a particular shipment is handled by the group of clerks who specialize on forwarding cargoes to the section of the world to which the shipment is destined.

There may, however, be a Transportation Department in an organization of a large ocean freight forwarder to follow up cargoes regardless of destination so as to see that delivery of them by lighter or truck is effected on the days specified in the shipping permit obtained from the steamship companies. It may consist of but one clerk or a senior and junior clerk who receive copies of the lighterage and trucking instructions issued by the men in charge of forwarding.

No stenographic department has been provided in the forwarding organization which underlies this description, the necessary number of stenographers being assigned, so far as practicable, to the various groups of clerks and officials where needed.

Instead of organizing the forwarding staff on geographical lines it may be organized on the basis of individual customers, i.e., all the forwarding work of a given shipper may be turned over to a particular clerk, regardless of the sections of the world to which his shipments are destined. This is a convenience to the shipper in that he deals continually with the same individual, who becomes expert in his shipping affairs. It does not, however, lead to the technical knowledge of and specialization in the varying shipping requirements of different foreign countries that

is attained when forwarding work is organized geographically. The advantages of an organization based on separate customers, moreover, are attained at least in part in the usual geographically organized forwarding staff because an effort may be made to assign clerks within the various territorial groups to large customers. The cargoes of an exporter shipping to different parts of the world are not in this case handled by the same clerk, but all of those destined to Europe may be handled by a particular man in the group of clerks or department assigned to European shipments, those destined to the Far East by a clerk in the Far Eastern group or department who always handles the Oriental shipments of this shipper, etc.

An accounting staff handles the bookkeeping, auditing, and financial work in connection with both the freight brokerage and forwarding operations of the ocean freight forwarder. Besides keeping the necessary records this department sends bills to the shippers whose freight is forwarded; handles foreign exchange drafts and pays the shipper in case the forwarder is financing his transactions; and settles the freight bills of the steamship companies and the bills of truckmen and others with whom the forwarder has dealings.

In the forwarder's business organization outlined in the accompanying chart the Chief Accountant, who supervises the accounting staff, also acts as the general office manager. As such he supervises the Filing Department where all the correspondence and copies of the documents issued in connection with each transaction are filed. The nature of these forwarding documents is discussed in Chapter XI. Switchboard operators and messengers also report to him.

There may also be an Advertising Department which sends circulars to customers and prospective customers, containing information as to forwarding services, steamship sailings, and ocean freights. This department also places advertisements in shipping and trade journals and other publications read by exporters and importers.

Freight Brokerage and Forwarding Charges

The charge collected for booking cargo space is known as brokerage and is customarily one per cent. or thereabouts of the

amount of the ocean freight bill. This has usually been paid by the steamship companies because they have ordinarily depended in part upon freight brokers and forwarders to book cargoes for them. Under war conditions, however, when they experienced no difficulty in securing cargoes, the steamship companies in many instances refused to pay brokerage, or would pay it only to forwarders becoming members of an approved freight brokers' association. Many forwarders then collected brokerage from the shippers or parties for whom they engaged freight. This brokerage is collected, whether or not the cargoes booked are actually forwarded by the forwarder.

Additional charges are collected from the shipper or party for whom freight is forwarded. There may be a flat "forwarding" or "shipping service" charge of say two dollars per shipment; also an additional charge of say $1.50 for issuing bills of lading; and a charge of say fifty cents for issuing the shipper's customs clearance. The practice of forwarders in this regard is not uniform. Sometimes they also collect an additional charge known as "commission" when forwarding commodities involving unusual care or services on the part of the forwarder.

The brokerage received by forwarders acting as freight brokers in engaging freight, and the additional charges collected for forwarding services are in practice closely related. If no brokerage were received the small charges specifically collected for forwarding services would in many instances not constitute adequate compensation. At times the ocean freight forwarder may also receive revenues from other sources. Thus if the shipper arranges to have the forwarder pay the invoice price of his cargo, i.e., finance his trade transactions, collection or discount fees may be charged. When marine insurance is engaged by a forwarder for a shipper the forwarder usually receives a commission from the insurance company or underwriter. Ocean freight forwarders usually act as marine insurance brokers or agents and receive compensation from the insurance concern in which the risks are insured.

If the shipper requests the quotation of a through freight charge to an interior foreign destination on a consignment sufficiently large to be billed on a minimum steamship bill of lading without consolidation with other shipments, such through charge may or may not in a particular instance be somewhat higher

than the actual freights paid to the carriers by the forwarder. The railroad rate to the American port of export can be definitely ascertained from available railroad tariffs and the ocean freight rate to the foreign port of entry can be obtained from the steamship company, but the actual inland freight charges beyond the port of entry to a particular inland destination are not always readily ascertainable until after delivery is made. Forwarding clerks of some concerns are therefore supplied with general rate tables, which are applied in quoting through freight charges. In particular instances the through charge may prove to be higher than the actual charges paid by the forwarder, thus including a profit, but in other instances they may prove to be lower. Forwarders, when possible, use the actual rate tariffs showing charges to interior destinations or obtain advices from their foreign agents, and when such tariffs or advices are not at hand they may refuse to quote a through rate.

When forwarding ocean freight consignments that are too small to go forward without consolidation with other consignments because of the high minimum freights per ocean bill of lading charged by many steamship lines, the main profit of the forwarder may be derived from the difference between forwarders' and ocean carriers' freight charges. The forwarder pays the steamship line for transporting a combined cargo including the small shipments of a number of shippers, and he in turn charges each individual shipper rates that are lower than the high minimum rate per bill of lading demanded by the steamship line, but sufficiently high to include a forwarding profit. The sum of the several rates paid to the forwarder on a combined shipment of small consignments exceeds the freight charge paid by the forwarder to the ocean carrier. The transaction may therefore be profitable both to the forwarder and his customers.

Through rates on small package or express goods are in some instances quoted on the basis of printed express tariffs. The published rates for different weights, stated in the foreign tariffs of the American Express Company, for example, apply from the port of export to various foreign destinations and are charged in addition to the express rates from the interior point of origin in the United States to the port of export. Valuation charges per $100 are added to the express rates if the value of an ex-

press package exceeds $50, and if insurance is desired the marine insurance charges stated in the tariff are added.

It will be noted, however, that this tariff is not "iron-clad." It specifically states that "the variations in foreign rates allow no fixed schedule. To large or regular shippers, all responsible competition will be met." Elsewhere in this tariff it is stated that "special ocean rates on large shipments by express will be quoted upon application." Tariffs of this kind are used only in forwarding small packages and even then the rates contained in them serve merely as a maximum charge.

Competition in Freight Forwarding Business

The ocean freight forwarding business has in recent years become increasingly competitive. Not only are there a large number of forwarders who compete with each other, but they are as a group affected by the announcement of a number of ocean steamship lines, or the steamship agents operating them, that they will themselves act as freight forwarders. The railroads, moreover, have been issuing through or export bills of lading from interior points to foreign destinations.[1] Large shippers are establishing direct agencies or branch offices at the larger ports, and some of the export commission houses or other trade agencies through whom exporters sell merchandise when not dealing directly with their foreign customers at times agree to act as port representatives. Trucking concerns may be engaged to transfer shipments at the ports; insurance brokers to insure ocean cargoes; custom house brokers to enter imports at the custom house and even to forward import cargoes to interior destinations. The foreign package or express business, moreover, is effected by the international parcels post service which has been established to many countries by the Post Office Department through parcels post agreements; and somewhat also by the issue of parcels receipts by a number of steamship companies.[2]

Ocean freight forwarders, however, continue to do a large brokerage and forwarding business because, as was formerly stated, they render distinct services. It is significant that many large interior shippers, instead of shipping on through railroad

[1] See pp. 103, 104. [2] See p. 105.

export bills of lading, choose to consign their export cargoes to an ocean freight forwarder so as to take advantage of favorable ocean rate fluctuations and a possible saving in port transfer expenses or to obtain some special service which the forwarder stands ready to perform.

PART TWO

OCEAN SHIPPING DOCUMENTS

Mon
April 11

CHAPTER VII

SHIPPING DOCUMENTS REQUIRED BY OCEAN CARRIERS

In a study of practical steamship operation much depends upon a knowledge of the shipping documents required by the carriers, by the United States Government and by foreign governments. It is the purpose of this chapter to describe the contents of the essential documents required by ocean carriers; the manner in which they are handled and the uses to which they are put.

Cargo Contracts and Booking Records

It is the ambition of every traffic manager, and freight agent, or loading broker, to have the available cargo space in his vessels fully engaged before the vessel arrives in port. Before the war, this was not always accomplished and cargo was frequently booked almost up to the day of sailing, but as this complicates the work of the traffic department, causes confusion in the last hours before sailing and interferes with the efficient loading of the vessel, cargo is booked in advance whenever possible. With an absence of sufficient cargo there is little opportunity for selection, but when cargo is abundant the traffic manager and freight agents endeavor to so balance weight and measurement cargo and the amount of fuel taken on as to approach the point of maximum net earnings.

Freight contracts are therefore closed with shippers either by mail or personally by freight agents, salesmen, solicitors or brokers. The typical freight contract reproduced in Form 1 specifies the name of the shipper and his address, the name of the vessel, expected time of loading, destination, cargo description, number of cases, bales, etc., and weight of cargo, the freight rate per cubic foot, or equivalent weight or measurement at ship's option, and a clause to the effect that the contract is made subject to the terms of the bills of lading in use by the vessel's agents and the usual war clauses, customs and naval

regulations now or hereafter placed in force and in this particular instance, also the rules of the New York Produce Exchange.

As fast as cargo bookings are made, entries are made in the *freight engagement record* of the Traffic Department. The loose leaf reproduced in Form 2 is so planned as to show at any particular time the amount of cargo that has been booked. The items entered are the name of the steamer, the port of sailing and destination, the weight and measurement of the cargo

GLOBE LINE
GASTON, WILLIAMS & WIGMORE STEAMSHIP CORPORATION
39 BROADWAY, NEW YORK
PHONE WHITEHALL 1000

New York, September 23rd 1918 Contract No. 24

FREIGHT CONTRACT Original

We confirm booking made with Gaston Williams & Wigmore Inc.
39 Broadway New York City

per Steamer X expected to Load late September
BUENOS AIRES

commodity 1 bale cloth 40 lbs.
2 c/s eyelets 280 "
3 c/s tag frames 390 "

at rate of 70¢ per CU. FT. or equivalent, weight or measurement, ship's option.

This contract is made subject to: Terms of Bills of Lading in use by Vessel's Agents; all usual War Clauses, Customs and Naval, regulations, now or hereafter placed in force; and rules of the New York Produce Exchange.

Accepted
GASTON, WILLIAMS & WIGMORE, Inc.
Shipper

GASTON, WILLIAMS & WIGMORE STEAMSHIP CORPORATION.
Per. C. X. REST

FORM 1.—OCEAN FREIGHT CONTRACT

booked, the number of packages, a description of their contents, time of delivery, with whom booked and the freight rates at which they were booked.

SHIPPING PERMITS

The various cargoes when booked may not be delivered indiscriminately or at any time, by the shippers, except by special arrangement in unusual instances. Cargo is usually delivered on *shipping permits* issued by the permit clerks of the Traffic Department, referred to in Chapter II. After being instructed by the Freight Traffic Manager or his Assistant as to the dates when the various cargoes which have been booked may be ordered

THE GLOBE LINE, GASTON, WILLIAMS & WIGMORE STEAMSHIP CORPORATION

Daily Booking Sheet

Per S.S. [redacted] From NEW YORK for BUENOS AIRES

New York, SEPTEMBER 26th 1916 [redacted]

Booked by THE GLOBE LINE

	PKGS.	CONTENTS	WEIGHT	MEASUREMENT	BOOKED WITH	FOR DELIVERY	FREIGHT RATES Dollars	Cents	Per	REMARKS
1		Cloth, violets bar [redacted]	800 lbs	45-0	Gaston Williams & Wigmore Inc.	Sept. 24/25		.70	Cu. Ft.	

Form 2.—Daily Booking Sheet

forward the permit clerks issue to the shippers permits of the kind reproduced in Form 3. The permit here reproduced instructs the receiving clerk at a specified wharf or pier to receive from a named shipper on specified dates, certain packages of cargo of described contents, weights and shipping marks for shipment to a given port of destination in a designated steamer. It also indicates the number of the export declaration covering the shipment and contains various terms and conditions as follows:

Form S-C 41 3-18-5000

MARKS

THE GLOBE LINE No. 36

Gaston, Williams & Wigmore Steamship Corporation

GENERAL AGENTS

20 PEARL STREET

To the Receiving Clerk,

At Pier 2 Erie RR Jersey City *New York,* Sept. 23rd *19* 18

You will please receive from M. Gaston Willia.. & Wigmore Inc.

for shipment per Steamer X for Buenos Aires

Buenos Aires	1 bale cloth	40 lbs.	
V R C S 100/575	2 c/s eyelets	260 "	Declaration # 489765
V R C S 1013/14	3 c/s bag frames	380 "	
V R C V 1/5			

if alongside XXXXXXXXXXXX from Sept. 24/25 1918

This permit is issued upon the following terms and conditions:

Freight rates are adjusted on the basis of a valuation not exceeding $100 per package; if the value of the goods exceeds such valuation, the same should be declared and a rate of freight based thereon BE ARRANGED AT TIME OF TAKING OUT THIS PERMIT, otherwise the goods are received subject to the regular bill of lading provision limiting the value to invoice cost not exceeding $100 per package and no change will be made therein.

The goods or any part may be held by the Steamship Company for the next steamer of the same line; and are received subject to delay, damage or default from or consequences of riots, strikes, stoppage of labor and like disturbances.

The Steamship Company's regular bill of lading shall be issued for the shipment and shippers are understood to have acquainted themselves therewith. The Steamship Company shall not become responsible for the goods as carrier until the goods are actually loaded on the steamer; until such loading it shall be liable only as an ordinary bailee, for loss or damage caused by its fault and subject also to all conditions, exceptions and limitations of liability contained in its regular bill of lading.

Demurrage shall be allowed on lighters or craft in accordance with New York Produce Exchange rules. No goods received afternoon Saturday or 5 p. m. other days, unless otherwise endorsed hereon.

Bills of Lading accompanied by sworn Clearance must be presented not later than one day before date of sailing

THE GLOBE LINE

Gaston, Williams & Wigmore Steamship Corporation

Per H. A. ROBERTS.

All risk of loss or damage while goods are on the wharf, however occurring to be borne by the shipper. Subject also to all the conditions and exceptions expressed in the Globe Line form of Bill of Lading.

FORM 3.—SHIPPING PERMIT

1. Freight rates are based upon a valuation not exceeding $100 per package; if the value of the goods exceeds such valuation, the same should be declared void and a rate of freight based thereon be arranged at time of taking out this permit; otherwise the goods are received subject to the regular bill of lading provision limiting the value to invoice cost not exceeding $100 per package and no change will be made therein:

2. The goods or any part may be held by the steamship company for the next steamer of the same line; and are received subject to delay, damage, or default from or consequences of riots, strikes, stoppage of labor and like disturbances.

3. The steamship company's regular bill of lading shall be issued for the shipment and shippers are understood to have acquainted themselves therewith. The steamship company shall not become responsible for the goods as a carrier until they are actually loaded on the steamer; until such loading it shall be liable only as ordinary bailee for loss or damage caused by its fault, and be subject to all conditions, exceptions and limitations of liability contained in its regular bill of lading.

4. Demurrage shall be allowed on lighters or craft in accordance with New York Produce Exchange rules. No goods are received Saturday afternoon or after 5 P.M. on other days unless otherwise endorsed hereon.
5. Bills of lading accompanied by sworn clearance must be presented not later than one day before date of sailing.
6. Shippers guarantee that no enemy of the United States of America, Great Britain or her allies are interested in this shipment.

The shipping permits issued by some steamship lines are simple documents which do not contain all of the terms and conditions enumerated above. They, however, serve their essential purposes in that they instruct the receiving clerk at a specified pier to receive designated cargo on particular days.

In issuing permits, care is taken to so order cargo forward as not to congest the pier or ship with cargo and lighters and at the same time enable the Dock, Wharf or Pier Superintendent of the Operating Department to stow the cargo quickly and with due regard to its order of discharge at destination ports, and its inflammable, bulky, heavy, fragile character or other stowage considerations described in the volume on *Wharf Management.* A record of the permits issued is usually kept on permit sheets, a copy of which is shown in Form 4.

Dock Receipts

As cargo for which shipping permits have been issued is delivered by the shipper or his representative by truck, car or lighter, he is given a *dock receipt* which is usually issued by the Assistant Receiving Clerk of the Wharf Department. In issuing these receipts, notations are made of irregularities such as frail containers, shifting contents, or signs of tampering with packages. Unless the shipper rectifies such irregularities or instructs the steamship company to do so, clauses may be inserted in the bill of lading relieving it of liability for damaged or improperly packed cargo.[1]

The dock receipt, copy of which is reproduced in Form 5, lists the packages received at the dock, giving a description of their contents, the number of packages, their shipping marks and their weight or measurement or both. It also names the steamer for which the cargo is booked, and the ports of shipment and

[1] J. A. Slechta, Paper on "Practical Steamship Operation."

THE GLOBE LINE

GASTON, WILLIAMS & WIGMORE STEAMSHIP CORPORATION

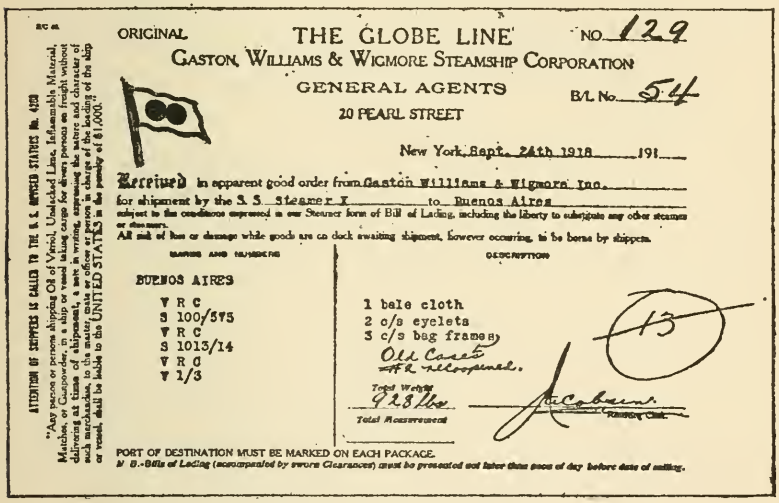
PERMIT SHEET

S. S. STEAMER X VOY. 1 FOR BUENOS AIRES, PORT OF DISCHARGE. DATE Sept. 23rd 1918

Per. No.	License	Declaration	For Delivery	No. Dk. Rec.	When Delivered	Marks	Pkgs.	CONTENTS	SHIPPER	Weight	Meas.	REMARKS
36		439765	Sept. 24/25			Buenos Aires V R C S 100/575 V R C S 1013/14 V R C V 1/3	1 2 3	bale cloth c/s eyelets c/s bag frames	Gaston Williams & Wigmore Inc.	40 260 390		

FORM 4.—PERMIT SHEET

destination; it makes reference to the federal statute concerning the making and declaration of explosives or other dangerous articles; it contains a statement that the cargo is received subject to the conditions expressed in the steamship company's bill of lading and with the understanding that the carrier may substitute other steamers, that the port of destination must be marked on each package, and that the bills of lading accompanied by sworn clearances, should be presented not later than noon of the day



ORIGINAL THE GLOBE LINE NO. 129

GASTON, WILLIAMS & WIGMORE STEAMSHIP CORPORATION

GENERAL AGENTS B/L No. 54

20 PEARL STREET

New York, Sept. 24th 1918 191

Received in apparent good order from Gaston Williams & Wigmore Inc.

for shipment by the S. S. Steamer X to Buenos Aires

subject to the conditions expressed in our Steamer form of Bill of Lading, including the liberty to substitute any other steamer or steamers.

All risk of loss or damage while goods are on dock awaiting shipment, however occurring, to be borne by shippers.

MARKS AND NUMBERS	DESCRIPTION
BUENOS AIRES	
V R C	1 bale cloth
S 100/575	2 c/s eyelets
V R C	3 c/s bag frames
S 1013/14	Old Cases
V R C	#2 recoopened.
V 1/3	

Total Weight 928 lbs

Total Measurement

13

Receiving Clerk

PORT OF DESTINATION MUST BE MARKED ON EACH PACKAGE.

N. B.-Bills of Lading (accompanied by sworn Clearances) must be presented not later than noon of day before date of sailing.

ATTENTION OF SHIPPERS IS CALLED TO THE U. S. REVISED STATUTES No. 4233

"Any person or persons shipping Oil of Vitriol, Unslacked Lime, Inflammable Material, Matches, or Gunpowder, in a ship or vessel taking cargo for divers persons on freight without delivering at time of shipment, a note in writing, expressing the nature and character of such merchandise, to the master, mate or officer or person in charge of the loading of the ship or vessel, shall be liable to the UNITED STATES in the penalty of $1,000."

FORM 5.—DOCK RECEIPT

before date of sailing. It is specified by some steamship lines that the dock receipts are to be returned with the bill of lading, i.e., be exchanged for them, but this is frequently not done in practice. Dock receipts variously state that "all risk of loss or damage while goods are on dock awaiting shipment, however occurring, is to be borne by shippers"; or "that merchandise on the wharf awaiting shipment is to be at owners' risk of loss or damage in every case and particular in which it shall not be proved that such loss or damage shall have resulted from the fault or negligence of the carrier or its servants." Each receipt is numbered so as to facilitate its identification.

Tally Sheets, Dock Sheets or Returns, Cargo Books and Stowage Plans

Although the work of the Wharf Department is more fully described in the volume on *Wharf Management,* it is necessary at this point to refer to the tally and dock sheets and cargo books made at the piers because they are used by the Traffic Department in issuing bills of lading and in preparing the ship's manifest. As cargo is landed from lighters, cars or trucks for loading, each package or piece is tallied, measured and recorded on *dock sheets* (see Form 6) and damage to freight is noted by the receiving tallymen of the Wharf Department. All packages as received are listed with the number of packages in the shipment, their marks, description of their contents, dimensions or measurements, their cubical contents, weight and shipping marks, permit and dock receipt numbers, names of shippers corresponding to those on the permits, the name of steamer and the port of destination. Extension clerks then by means of conversion tables translate the measurements on these sheets into tons and consolidate the tallymen's report ready for calculation of freight. Each sheet is numbered, and a column is provided for inserting the number of the bill of lading. When comparison of the dock sheets with duplicate copies of shipping permits sent to the dock by the Traffic Department, shows that cargo was not delivered by the shipper on permit dates, the receiving clerk of the Wharf Department usually notifies the former on separate dock sheets designated as "not arrived."

When cargo is loaded into the steamer's holds, lighterage clerks or tallymen, or sometimes, in case of foreign cargo carriers, subordinate deck officers or apprentices, make up *tally sheets* containing full particulars concerning each separate shipment. The items listed in the tally sheet reproduced in Form 7 are those contained in the dock sheets, a separate sheet, however, being made out for each shipment.

The dock sheets and tally sheets are used for various purposes:

1. They constitute an original record for the Wharf Department of all cargo received at the docks and loaded into vessels.

2. Tally sheets are of assistance to the Wharf Department in the preparation of the so-called *stowage plan* (see Form 8),

Form SC 43. 8-16-18.

Dock Sheet

THE GLOBE LINE, Gaston, Williams & Wigmore Steamship Corporation, General Agents, 120 Broadway, New York Sept 24 1918

S. S. X for Buenos Aires No. 60

ENGAGED BY	PERMIT No.	RECEIPT No.	MARKS	NOS.	PKGS.	CONTENTS	REMARKS	WEIGHT	Measurements			SINGLE CUBE	TOTAL CUBE	CUB. CONT.		SHIPPERS	B/L No.
○	36	129	V.R.C.														
			S.	100/575	1	Bale Cloth	Declaration # 489765	(46)	5/1	0/8	0/8	✓		2	3	Gaston, Williams & Wigmore Inc.	54
			V.R.C.														
			S.	1013/14	2	c/s eyelets	✓		1/9	1/2	1/2	2/5	4/10	4	10		
			V.R.C.	1	1	c/s bag frames	✓		2/7	1/21	1/10		9/1				
			S	2	1	✓ ✓ ✓			3/2	2/2	2/-		13/9				
				3	1	✓ ✓ ✓			2/8	2/6	2/4		15/7	38	5		
						Old Cases #2 recoopered											

Form 6.—Dock Sheet

which graphically shows the disposition of cargo within the holds of the vessel and is of utility in discharging cargo and in preparing the ship's manifest, if it has been carefully drawn.

Form S. G. M. 6.10.4.

TALLY SHEET

THE GLOBE LINE

GASTON, WILLIAMS & WIGMORE STEAMSHIP CORPORATION

GENERAL AGENTS

39 BROADWAY, NEW YORK

Permit No. 36 Receipt No. 129

S. S. Steamer X Port New York Date Sept 25 1918.

MARKS	NUMBERS	PKGS.	CONTENTS	DIMENSIONS			Single Cube	Total Cube	WEIGHT OF EACH	TOTAL WEIGHT
Buenos Aires										
V.R.C.										
S.	100/575	1	Bale Cloth					2-3		46
V.R.C										
S.	1013/14	2	8 eyelets					4-10		
V.R.C										884
V	1/3.	3	1/2 Bag							
			frames					38-5		
TOTALS										

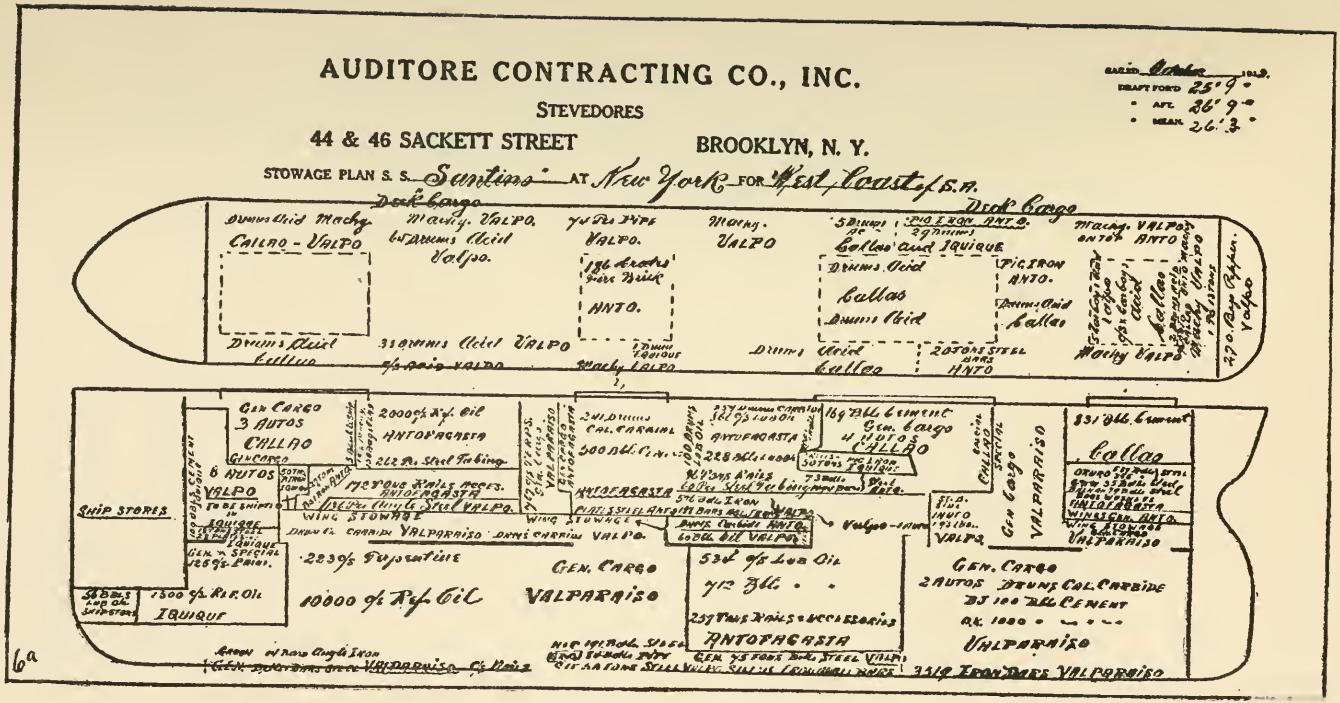
REMARKS:

Form 7. Tally Sheet

Tallyman J. Jones.

FORM 7.—TALLY SHEET

3. Copies of the tally sheets made when cargo is loaded into the vessel are usually kept on board by the chief officer, under whose supervision the purser makes up a ship's cargo book which



FORM 8.—STOWAGE PLAN

lists the vessel's cargo by marks and numbers consigned to each port and laden in each hold.

4. Copies of the dock sheets are sent each day and when loading, several times daily to the Traffic Department; here they are needed by bill of lading clerks in checking against the bills of lading which the shippers are expected to present for signature as soon as their cargo has been sent to the dock; and in calculating the amount of freight, the rate and the basis on which it is determined.

Ocean Bills of Lading

The principal document as between shipper and ocean carrier is the ocean bill of lading which serves the following purposes: (1) It is the final receipt for cargo delivered to the carrier. (2) It is the shipping contract under the terms of which the cargo is accepted by the carrier for transportation and delivery. (3) Certain copies are negotiable and may be used by the shipper in obtaining loans or to attach to drafts either for collection, advances or negotiation. (4) The consular regulations of various foreign countries require certified copies of the bill of lading for customs entry at their ports; and (5) in times of war a copy may be carried by the vessel to supplement the ship's manifest in the identification of cargo.

The bills of lading are arranged on the carriers' blanks by the shipper who is expected to present them ready for signature as soon as his cargo has been sent to the dock. The various packages shipped are listed as in the dock receipts that were issued when they were delivered at the dock, care being taken in the entry of contents, numbers, marks and weight. The shipper is supposed to return the dock receipts with bills of lading as they contain the receiving clerk's notations concerning frail containers or packing, signs of tampering, shifting contents or other irregularities. These notations are also made on the dock sheets, but if the receipts are returned, the bill of lading clerks have an additional check. The number of copies of the ocean bill of lading issued varies according to the requirements of the shipper and carrier and in some instances also according to the consular requirements of foreign countries. The number of negotiable bills is usually three or four and the number of non-negotiable copies varies from three to ten. During the war, the

Form 9—Ocean Bill of Lading.

D. R. 129 DECLAR. 489765 No. 54

THE GLOBE LINE

Gaston, Williams & Wigmore Steamship Corporation

GENERAL AGENTS

~~20 Pearl Street~~

New York

39 Broadway

DECLARATION # 489765 ✓

Attention of Shippers is called to Sec. 235 of the Criminal Code of the United States (Act of Congress March 4th, 1909.)

Every package containing explosives or other dangerous articles, when presented to a common carrier for shipment, SHALL HAVE PLAINLY MARKED ON THE OUTSIDE THEREOF THE CONTENTS THEREOF, and it shall be unlawful for any person to deliver or cause to be delivered to any common carrier engaged in interstate or foreign commerce by land or water, for interstate or foreign transportation, or to carry upon any vessel or vehicle engaged in interstate or foreign transportation any explosive or other dangerous article under any false or deceptive marking, description, invoice, shipping order or other declaration, or without INFORMING THE AGENT OF SUCH CARRIER OF THE TRUE CHARACTER THEREOF, AT OR BEFORE THE TIME SUCH DELIVERY FOR CARRIAGE IS MADE. Whoever shall knowingly violate or cause to be violated any provision of this section shall be fined not more than $2,000, or imprisoned not more than eighteen months, or both.

This cargo is received on the express condition that the Owners, Master or Agents of the vessel at the port of destination, regardless of existing dock facilities at such port, shall have the option of discharging the merchandise herein described, as soon as vessel is ready to unload, into lighter, hulk, depot or lazeretto, if necessary, by Agent of the vessel, at the risk and expense of the owners of the goods, or they may require consignees to furnish lighters to take delivery, and have the right to hire lighters for the landing of the goods at the expense and risk of the owners of same.

Merchandise herein described, whether discharged at docks or into floating equipment shall be taken by consignees from ship's tackle, at the risk and expense of the owners of same, and all responsibility on the part of vessel for shortages, damage and condition of goods shall cease when merchandise leaves ship's tackle, no claims will be considered under any circumstances unless damage or shortage shall be verified before or immediately upon affecting such delivery from ship's tackle.

Consignees to receive cargo from ship's tackle as fast as vessel can discharge and shippers to deliver cargo alongside ship as fast as vessel can receive, nights Sundays and holidays included (ship's option). Should vessel be detained on account of strike, shortage of lighters surf days, etc., time so lost by vessel to be for account of cargo, charges to be paid by owners pro rata.

Also, should all or any part of cargo herein described be transhipped to a minor port of consignment, it is expressly stipulated that discharge at the nearest port of call as per the foregoing conditions, shall constitute full and complete delivery; expense of storage other expenses and/or re-shipment to final port of consignment shall be borne by owner of cargo.

STEAMER NOT RESPONSIBLE FOR CHAFAGE OR BREAKAGE OF INSUFFICIENTLY PROTECTED PROPERTY

This contract is made subject to conditions of Act of Congress governing bills of lading approved February Thirteenth, 1893, and to terms of bills of lading in use by the steamer's agents, including attached war clause and is further conditional upon the continuance of the steamship company's service and the sailing of its steamers and if at any time in the judgment of the steamship company conditions of war or hostilities, actual or threatened, are such as to make it unsafe or imprudent, for its vessels to sail, the sailing of any vessel or vessels may be postponed or cancelled, and in that event the steamship company may at its option cancel this contract and shall be relieved thereafter from any liability hereunder except to return to the shippers whatever cargo may have been already received under this contract.

In view of war conditions steamer has liberty to proceed via any route to destination and to deviate in the course of the voyage or to remain in port as master may deem best in his judgement.

RATE CORRECT CKW

...........lbs. @ .... per 100 lbs.	$	....
....lbs @ .... per 2240 lbs.	$	....
....feet......in. @ .... per 40c ft....	$	....
45 feet 6 in. @ 70¢ per Cuft.	$	31.85 ✓
....	$	....
	$	....
Hoisting Charges,	$	—
Total,	$	31.85 ✓

CALCULATIONS CORRECT Val

JML

"CONSIGNEES TO APPLY FOR DELIVERY OF THEIR GOODS IMMEDIATELY "UPON RECEIPT OF BILLS OF LADING, TO THE AGENTS ON THE STEAMER "AT THE CARRIERS NOT TO BE RESPONSIBLE FOR ANY "CUSTOMS FINE OR OTHER EXPENSES CAUSED BY DELAY IN TAKING "DELIVERY."

S/O 69 20M 4-18

Received, in apparent good order and condition from GASTON, WILLIAMS & WIGMORE INC. to be transported by the Steamship X now bound to or lying in the port of NEW YORK and bound for BUENOS AIRES with liberty to call at any Port or ports in or out of the customary route in any order, to receive or discharge Coal, Cargo, Passengers or for any other purpose, or, failing shipment by said Steamer, in and upon the following Steamer:

BUENOS AIRES

Marks	Packages	Description		Gross Kilos	Lbs	Meas.
V.R.C. S. 100/575	ONE (1)	BALE CLOTH	GROSS KILOS	21	46	2-3
V.R.C. S. 1013/14	TWO (2)	C/S EYELETS		80	884	4-10
V.R.C. V. 1/3	THREE (3)	C/S BAG FRAMES	Old Cases #2. Recooperd	384		38-5

being marked and numbered as above, shipper's weight (quality, quantity, gauge, contents, weight and value unknown), and to be delivered in like good order and condition at the Port of BUENOS AIRES (or so near thereto as she may safely get), unto VIVENT ROPERT & CO. BUENOS AIRES ARGENTINE S.A. or to his or their assigns.

Freight, Primage and charges as per margin for the said goods become due on receipt of the goods in custody of the carrier, and to be paid by Shippers in cash without deduction, vessel or goods lost or not lost, and failing payment by the Shippers the consignee or holder of this bill of lading shall be liable therefor.

The rate of freight is adjusted upon the basis of the following exceptions and agreements.

IT IS MUTUALLY AGREED that the steamer shall have liberty to sail with or without pilots; and to deviate for the purpose of saving life or property and to tow and assist vessels in distress, that the carrier shall have the liberty to convey goods in craft and/or lighters to and from the steamer at the risk of the owners of the goods, and, in case the steamer shall put into a port or refuge, or be prevented from any cause from proceeding in the ordinary course of her voyage, to transship the goods to their destination by any other steamer or steamers as the shipowner may elect. That the carrier shall not be liable for loss or damage occasioned by perils of the sea or other waters, dangers of navigation of whatsoever kind, by collision, stranding, jettison, or wrecks by fire from any cause or whatsoever occurring on board, in craft or on shore, by barratry of the master or crew; by enemies, pirates or robbers; or thieves by land or sea, by theft of any person on board, in craft or on shore, whether in the employ of the ship-owner or not; by arrest or restraint of princes, rulers or people, riots, strikes, or stoppage of labor, or epidemics, by explosion, bursting of boilers, breakage of shafts or machinery or any defect in any of the hull, boilers, engines, machinery or appurtenances, or unseaworthiness of the steamer, whether existing at time of shipment, or at the beginning of the voyage, provided the owners have exercised due diligence to make the steamer seaworthy; by heating, frost, decay, evaporation, smell or taint from or contact with other goods, rain or spray putrefaction, rust, sweat, change of character, drainage, leakage, breakage, vermin, or by explosion of any of the goods whether shipped with or without disclosure of their nature, or any loss or damage arising from the nature of the goods, the insufficiency of packages, or from the carriage of live stock and/or cargo on deck; nor for inland damage nor for the obliteration, errors, insufficiency or absence of marks, numbers, address, or description; nor for risk of craft, hulk or transshipment; nor for any loss or damage caused by the prolongation of the voyage, and that the carrier shall not be concluded as to correctness of statements herein of quality, quantity, gauge, contents, weight and value.

GENERAL AVERAGE shall be payable according to York-Antwerp Rules 1890, and Antwerp Rule of 1903, and as to matters therein not provided for, according to the usages of the Port of New York, same to be adjusted at New York. Average Bond with values declared therein to be signed, also sufficient security to be given as required by Master or Agents. If the owners shall have exercised due diligence to make the steamer in all respects seaworthy and to have her properly manned, equipped and supplied, it is hereby agreed that in case of danger, damage or disaster, resulting from faults or errors in navigation, or in the management of the steamer, or from any latent defect in the steamer, her machinery or appurtenances, or from unseaworthiness, whether existing at the time of shipment, or at the beginning of the voyage (provided the latent defect or the unseaworthiness was not discoverable by the exercise of due diligence), the consignees or owners of the cargo shall, nevertheless, pay salvage, and any special charges incurred in respect of the cargo, and shall contribute with the shipowner in General Average to the payment of any sacrifices, losses or expenses of a General Average nature that may be made or incurred for the common benefit, or to relieve the adventure from any common peril, all with the same force and effect, and to the same extent, as if such danger, damage or disaster had not resulted from, or been occasioned by, faults or errors in navigation, or in the management of the vessel, or any latent defect or unseaworthiness.

IT IS ALSO MUTUALLY AGREED that this shipment is subject to all the terms and provisions of and all the exemptions from liability contained in the Act of Congress of the United States, approved on the 13th day of February, 1893, and entitled "an Act relating to the Navigation of Vessels, etc" and nothing in this Bill of Lading shall operate to deprive the ship-owner or carrier of any statutory protection or limitation of liability, to which he would in the absence of the conditions and terms herein have been entitled.

1—IT IS ALSO MUTUALLY AGREED that the value of each package receipted for as above does not exceed the sum of One Hundred Dollars unless otherwise stated herein, on which basis the rate of freight is adjusted.

2—ALSO, that the carrier shall not be liable for articles specified in Section 4281 of the Revised Statutes of the United States, unless written notice of the true character and value thereof is given at the time of loading, and entered in the bill of lading.

3—ALSO, that the shippers shall be liable for any loss or damage to steamer, cargo, lighter or wharf, caused by inflammable, explosive or dangerous goods, shipped without full disclosure of their nature, whether such shipper be Principal or Agent, and such goods may be thrown overboard or destroyed at any time without compensation. Extra charges, if any, for discharging, lighterage or other expenses on hazardous goods, declared or considered as such by civil or military authorities must be borne by shippers and/or consignees.

4—ALSO, that the carrier shall have a lien on the goods for all freights, primages and charges, and also for all fines or damages which the steamer, lighter or cargo may incur or suffer by reason of the incorrect or insufficient marking, numbering or addressing of packages or description of their contents. Bills of Lading must be made out in accordance with the prescriptions and regulations of Port, Customs or Consular Authorities. Consular, Bill of Health or other certificates required to accompany the goods are to be procured by shippers, and any detention, charges or penalties occurring to steamer or cargo, owing to the want of such certificates, are to be borne by the shippers and/or consignees, and the cargo to be subject to a lien therefor. Three times freight to be paid on all Goods incorrectly described as to weight, measure or quality.

5—ALSO, that in case the steamer shall be prevented from reaching her destination by Quarantine, the carrier may discharge the goods into any depot or lazaretto, and such discharge shall be deemed a final delivery under this contract, and all the expenses thereby incurred on the goods shall be a lien thereon.

Any delay to steamer caused by any Government, Rulers, or Officials for [illegible] of cargo or steamer caused by reason of suspicion as to cargo being contraband [illegible] destination, ownership or Consignment shall be paid for at an average increase of freight based on steamer's earnings had the voyage not been interrupted or delayed. Such additional freight to be paid by shipper and/or consignees and steamer to have a lien on cargo for same.

6—ALSO, that the Steamer may commence discharging immediately on arrival and to discharge with all possible speed according to the Customs of the port of discharge, the Collector of the port being hereby authorized to grant a general order to discharge immediately on arrival, and if the goods be not taken from the steamer by the consignee directly they come to hand in discharging the steamer, the master or steamer's agent to be at liberty to enter and land the goods, or put them into craft or store at the owner's risk and expense when the goods shall be deemed delivered and steamers responsibility ended, but the steamer and carrier to have a lien on such goods until the payment of all costs and charges so incurred.

7—ALSO, that in case the ship shall be prevented from reaching her destination by weather, ice, unsafe navigation, strikes, lockout, earthquake, epidemic, interdict, prohibition of importation, riot, war, or other disturbance, or any cause beyond the control of said steamer or steamers, or if in the opinion of the Master it shall be impossible or unsafe to unload said goods, as a whole or part, at the port of discharge or delivery, the same shall be carried to the next convenient port of discharge for transshipment to destination, or retained on board for delivery upon return at the master's option, but at the risk and expense of the owner of said goods. If landed at the next convenient port, advices mailed to consignees, if named, or otherwise to shippers, shall be deemed under this agreement, a due delivery of said goods, and such goods shall be liable and a lien held thereon for all extra expenses incurred in consequence.

8—ALSO, that if on sale of the goods at destination for freight and charges, the proceeds fail to cover said freight and charges, the carrier shall be entitled to recover the difference from the shipper, and in the event of sale because of damage or otherwise at any point short of their ultimate destination, out of the proceeds thereof, pro rata freight for that part of the transportation which may have been completed shall be due and payable.

9—ALSO, that full freight is payable on damaged or unsound goods, but no freight is due on any increase in bulk or weight caused by the absorption of water during the voyage.

10—ALSO, that in the event of claims for short delivery when the steamer reaches her destination, the price shall be the net invoice cost value plus freight paid less all charges saved. If there is opportunity to discover by examination, before removal of the Goods, that loss of contents or shortage of, or damage to the Goods exists or may exist the Carrier shall not be liable for any such loss, shortage or damage, unless notice of claim therefor be presented in writing to the Carrier or to the master or agent of the Vessel before removal of the Goods. If there is no opportunity to discover, before removal, that such loss, shortage or damage exists or may exist, then the Carrier shall not be liable therefor unless such notice of claim be so presented within 48 hours after removal of the Goods. The Carrier shall not, in any event, be liable for any claim or demand arising hereunder or in respect of the Goods, unless notice of the claim be presented in writing to the Carrier within thirty days after delivery of the Goods to the Carrier. No suit or proceeding to recover for or upon any claim or demand shall be maintained against the Carrier or Vessel or owners thereof, unless commenced within six months after delivery of the Goods to the Carrier, and the lapse of such period shall be deemed a complete bar to recovery in any such suit or proceeding not sooner commenced, notwithstanding the Carrier may be a non resident or a foreign corporation. Nothing shall be deemed a waiver of the provisions of this article except a written express waiver signed by the Carrier.

In case of any loss or damage for which the Carrier shall be liable, the Carrier shall to the extent of such liability have the full benefit of any insurance that may have been effected upon the Goods or against said loss or damage.

11—ALSO, that merchandise on wharf or lighter, or other craft, awaiting shipment or delivery be at shipper's risk of loss or damage not happening through the fault or negligence of the owner, master, agent or manager of the steamer, any custom of the port to the contrary notwithstanding.

12—ALSO, that this Bill of Lading, duly endorsed, be given up to the steamer's consignee in exchange for delivery order.

13—ALSO, that prepaid Freight is to be considered as earned on shipment of the goods and is to be retained by the vessel owners, vessel or cargo lost or not lost, or if there be a forced interruption or abandonment of the voyage at a port of distress or elsewhere, and in the event of the cargo, or a part of it, being forwarded by vessels of the same Line or otherwise, the cost of forwarding, including extra compensation if performed by vessel in the service of the same Line, shall be payable by the owners or consignees of the goods and shall constitute a lien on the goods. Freight and all other sums payable to carrier are subject also to other terms and conditions regarding same hereinafter contained.

14—ALSO, that parcels for different consignees collected or made up in single packages addressed to one consignee, pay full freight on each parcel.

15—ALSO, that should the steamer be unable to enter the dock through bad tides, or any cause beyond the control of said steamer consignee to provide crafts and take delivery in the river.

16—ALSO, For any delay in discharging beyond ten running days, Holidays and Sundays excepted, or, if delayed by ice after discharge by steamer being frozen in, demurrage is to be paid at the rate of one thousand dollars (gold) per running day, day by day.

17—ALSO, should ice form or commence to form while steamer is in the port of discharging her cargo and in the judgment of the Master, there is likelihood of steamer being frozen in so that steamer would not be able to leave the port until after the winter months the Master to have liberty to leave the port of and proceed to any safe port or ports that he deems advisable under the circumstances and there discharge the remaining cargo, this delivery is to be a final one under this bill of lading and thereafter the cargo shall be at the sole risk and expense of the receivers and the ship owner and agents shall be freed from all responsibility in respect thereof.

18—ALSO, that all weights and measurements are subject to correction, and where goods are weighed or remeasured by the carrier to ascertain freight or for Customs purposes, the charges for weighing, or remeasuring, to be paid by consignees, any custom of the port to the contrary notwithstanding, the consignee also to pay any excess of freight discovered, and the carrier to have a lien on the goods for such charges.

19—ALSO, that no claim shall, under any circumstances whatever, attach to the steamer or her owners for failure to notify consignees or any other party of arrival of the goods.

20—ALSO, that single packages exceeding one and a half tons in weight shall be liable to pay extra charges for loading, handling, transshipping or discharging. ALSO, that the steamer or any of the servants of the company shall not be liable for any damage or loss occurring from any accident in loading, handling, discharging or transshipping of packages exceeding one and a half tons in weight. And in case of any damage or loss resulting to the steamer, cargo, lighters, cranes or hoisting tackle, owing to incorrect weight having been declared, the shippers and/or consignees of such cargo shall be responsible for such loss or damage.

21—ALSO, that for metal in slabs, bars, ingots, rods, hoops, plates, etc., or any other articles not packed properly, but shipped loose or in bundles, steamer is responsible for the total number of pieces or bundles only and not for their respective marks and/or weight and/or measurement.

22—ALSO, that Freight is to be paid on barrels whether full, part full or empty.

23—ALSO, that the steamer shall have liberty to carry cargo on deck, or live stock on deck and/or under deck.

24—ALSO, that steamer or carrier shall not be liable for splits, shakes or breakage to Lumber or Logs.

25—ALSO, that where grain is stowed together with other grain without separation, either from the same or another shipper, each bill of lading shall bear its proportion of loss and/or damage, if any.

26—ALSO, that in case this Bill of Lading should not be made out in accordance with the existing CUSTOMS REGULATIONS, the goods as well as the shipper and receivers are responsible to the steamer or her owners for all penalties and other consequences arising from such incorrectness.

27—ALSO, Lighterage if any, at Consignee's risk and expense.

28—ALSO, Owing to the conditions of war or hostilities existing or threatened, this shipment is accepted at the sole risk of the owners thereof of arrest, restraint, capture seizure, detention, or interference of any sort by any Power; and the carrier and its representatives are privileged in its or their absolute discretion, if deemed advisable for the protection of the vessels or any cargo or to avoid loss, damage, delay, expense or other disadvantage or danger, either with or without proceeding to or toward the port of discharge or entering or attempting to enter or discharge the goods there, and whether such entry or discharge be permitted or not, to proceed to any other port or ports or return to the port of shipment, once or oftener in any order or rotation, retaining the goods on board or discharging the same at risk and expense of the owners thereof at any such port or ports at the first or any subsequent call, and full bill of lading freight, together with extra compensation for additional transportation and all other charges shall be paid by shipper, consignees and/or assigns and shall be a lien on the goods.

29—ALSO, if and so long as the ship is insured against War Risk with a War Risks Insurance Association under or in connection with a war risks insurance scheme of His Britannic Majesty's Government the ship in addition to any liberties expressed or implied in this Bill of Lading shall have liberty to comply with any orders or directions as to departure, arrival, routes, ports of call, stoppage or otherwise howsoever given by His Britannic Majesty's Government or any department thereof, or any person acting or purporting to act with authority of His Britannic Majesty or of His Britannic Majesty's Government or of any department thereof, or by any committee or person having under the terms of the war risks insurance on the ship right to give such orders or directions and nothing done or not done by reason of any such orders or directions shall be deemed a deviation.

AND FINALLY, in accepting this Bill of Lading, the Shipper, Owner and Consignee of the goods and the Holder of the Bill of Lading, agree to be bound by all of its stipulations, exceptions and conditions, whether written or printed, or impressed by a rubber stamp or stamps as fully as if they were all signed by such Shipper, Owner, Consignee or Holder, and it is hereby mutually stipulated and agreed that this bill of lading shall have the effect of a special contract.

IN WITNESS WHEREOF, the Master, or Agent of the said Steamship hath affirmed to....3......Bills of Lading, all of this tenor and date, one of which being accomplished the others to stand void.

Dated in NEW YORK, this....25....day of....SEPTEMBER.....1918

Gaston Williams & Wigmore Steamship Corporation.

shipper was required to insert the number of the export license received from the War Trade Board and also enemy trading license numbers; or in case no licenses were required, the notation "N.L.R." The number of the shipper's export declaration is likewise shown in the bills of lading.

As fast as the dock sheets or returns for the cargo listed on each bill of lading are received by the Traffic Department, the bill of lading clerks check the various items which were entered by the shipper. If irregularities are noted on the dock sheets or on the dock receipts, in case they were returned, and the shipper has not rectified them or instructed the carrier to do so at shipper's expense, special clauses may be inserted in the bill of lading contract to relieve the steamship line from responsibility for damaged or improperly packed cargo. The bill of lading clerks then calculate the amount of the total freight charge and enter it on the line's copy and on one of the shipper's non-negotiable copies, together with the rate of freight and the basis on which it is determined. To enable them to compute rates and charges accurately and in the shortest time, they are provided with tables of rates or tariffs and tables of weights and measurement. The number of the dock receipt is also inserted, the number of the export declaration is checked and inserted by the bill of lading clerks and each bill is given a bill of lading number.

In the line copy of the bill of lading reproduced in Form 9, the items listed by the shipper and bill of lading clerks may be readily distinguished as the former were made on a typewriter and the latter with a pencil. It was necessary in this case to show weights in kilos as well as pounds, a requirement applicable on shipments to most South American countries.

When the bill of lading clerks have completed their checking and freight calculations the freight rate clerk or broker who engaged the cargo is required to initial the line copy as to the correctness of the rate (see Form 9). All the copies are then referred to the Cashier of the steamship company, who is required to verify the freight calculations, initial them as being correct, enter the amounts collectable in his cash book, and hold the shipper's copies for delivery to him on payment. The negotiable bills are signed by a responsible person, the chief bill of lading clerk usually receiving authority to do so from the

company's Board of Directors. The non-negotiable copies, instead of being signed, are initialed. As the requirement regarding prompt prepayment of freight may cause inconvenience to large shippers who make many shipments covered by numerous bills of lading, "due bills" are accepted by some lines at the time the signed bills of lading are delivered to the shipper, but the practice has become less general. It is especially open to abuse when the due bill becomes merely an informal promise to pay signed by office boys or messengers.

Ocean bills of lading are sometimes made out directly in the name of the foreign consignee, especially when the goods have been paid for at time of shipment, when satisfactory security or guarantee has been arranged or when they are shipped on open account. But the more common practice is to make them out in the name of the shipper himself, i.e., they are drawn "to order," the merchandise being deliverable to order or to his or their assigns. Such a bill is negotiable because the consignee cannot obtain the cargo until he presents the order bill of lading with the shipper's endorsement or signature on the back of the bill. The endorsement may be made either in blank or specifically to a named individual or concern. When attached to drafts the bankers handling the financial transaction require a so-called "full set" or all of the negotiable copies that have been issued. An examination of Form 9 will show that the number of signed or negotiable bills of lading issued by the carrier is specifically stated. The negotiable bills of lading properly endorsed by the shipper conveys ownership of the cargo. They may be attached to drafts or bills of exchange which may be negotiated or sold by the shipper for the full or a portion of the amount stated in the invoice or for collection at destination, or they may be used to obtain a loan.

Order bills of lading often contain a so-called "notify" clause which authorizes the carrier's agent at destination to notify the person who will ultimately receive the cargo. His name is in such case written in the margin of the bill of lading which is drawn to order of the shipper, but the person notified does not thereby obtain control of the cargo. When transshipment is necessary to reach destination the name of the agent to be notified at the transshipment point may similarly be written on the bill of lading with a request that the transshipping agents of the

carriers shall advise him as to the name and sailing date of the connecting carrier.

The non-negotiable copies of the bill of lading are variously used by the shipper for his files and to send to the consignee for his information; by the carrier for its files or to forward to its agent at destination and in time of war to provide the vessel with a "Captain's Copy," and by foreign consuls to fulfill the legal requirement of foreign countries.

It is essential that bill of lading clerks understand foreign consular requirements. Various countries require the certification of stated numbers of the bill of lading by their consul who retains a copy; some require the attachment of consular invoices or certificates of origin to the bill of lading; some have regulations concerning the statement of weights or other items, the use of consecutive numbers, shipping marks, erasures, interlineations or alterations, foreign languages, or the prepayment of freight; and some foreign countries provide that shipments may not be consigned "to order."

No uniform ocean bill of lading has been adopted in ocean shipping, the terms of the contract varying for different lines and especially in different trades. Local conditions at different ports frequently cause steamship lines to vary the degree of responsibility accepted in the delivery of cargo. In the bill of lading reproduced in Form 9, for example, "it is stipulated that at Buenos Aires, merchandise herein described, whether discharged at docks or into floating equipment, shall be taken by consignees from ship's tackle, at the risk and expense of the owners of same and all responsibility on the part of vessel for shortages, damage and condition of goods shall cease when merchandise leaves ship's tackle." This clause is general in the trade of Argentina, at certain ports of Brazil and in the West Coast countries of South America. Not only does it affect the responsibility of the carrier in case of claims, but it places the expense of lighterage, pier handling charges or other costs incurred beyond the ship's tackle upon the consignee. In case of one West Coast Line the bill of lading calls for delivery ashore, but nevertheless provides that the costs beyond ship's tackle are payable by the consignee. A similar clause is one requiring the consignee to take delivery "free from alongside," bills of lading containing such a clause being known as "F.F.A." bills. Bills

of lading covering general cargo shipments to Europe on the contrary provide for delivery ashore, except at the smaller and poorly equipped ports of the Mediterranean.

Ocean bills of lading vary also as to the minimum freight charge to be collected. Many so-called "minimum bills of lading" specify a minimum freight variously fixed at one guinea (about $5.10) per bill of lading, five dollars, ten dollars, or the current charge for one, one and a half or two tons or other quantity of freight. Other ocean carriers on the contrary have no fixed minimum. There are, likewise, variations regarding the risk of transshipment. Bills of lading variously state that cargoes are "to be transshipped at———to———at Steamer's expense, for account and risk of shipper"; or "that the carrier shall not be liable for———risk of———transshipment, nor for any damage, however caused, which is capable of being covered by insurance;" or "that all goods destined beyond———are subject to all conditions, stipulations and exceptions expressed in the customary form of bill of lading in use at the time of shipment by the carrier or carriers completing the transit. Also that the goods be forwarded at steamer's expense, but at shipper's risk either by steamer, lighter or railroad." Others provide "that the transshipment to connecting carriers shall be at the risk of the owners of the goods, but at ship's expense, and that all liability of the steamer shall terminate on due delivery to the connecting carrier. The property shall be subject exclusively to all conditions of carriers completing the transit and owners of goods shall have to make their claims, if any, against them." The bill of lading shown in Form 9 provides that if any cargo "be transshipped to a minor port of consignment, it is expressly stipulated that discharge at the nearest port of call, as per the foregoing conditions, shall constitute full and complete delivery, expense of storage, other expenses and for reshipment to final port of consignment shall be borne by owner of cargo."

In some instances, prepayment of freight is required, while in others it is stated that "freight need not be prepaid" with the understanding, however, that this clause does not apply to perishable commodities, or others which might on arrival at destination be of insufficient value to cover shipping charges. So, too, the maximum value of each package "unless otherwise stated herein, on which basis the rate of freight is adjusted," is variously fixed

at $100, $250, $20 per cubic foot, $500 per freight ton or other fixed amounts. Sufficient has been stated to emphasize the lack of uniformity in ocean bills of lading and the need on the part of shippers to examine carefully the terms of contracts with which they may not be familiar. The general liability terms contained in the first paragraphs of ocean bills of lading contract are more uniform than the detailed, numbered clauses that follow, the reader being urged to read carefully the first three paragraphs of the contract reproduced in Form 9. An explanation of "general average" and of the Harter liability act of February, 1893, may be found in the manual of this series dealing with *Marine Insurance.*

Through Export Bills of Lading

Interior exporters instead of billing cargoes to the port of export on railroad bills of lading and there rebilling them on ocean bills have frequently sent them through on so-called "export bills of lading" obtained from the rail carriers. An examination of Form 10 will show that the contract contained in such a bill of lading is divided into three parts, each covering a separate part of the through transportation service rendered. The terms contained in the first part cover the inland transportation of the cargo from the interior point of shipment to the port of export, the liability clauses being similar to those contained in the usual bills of lading issued by the inland carriers. The second part covers the ocean transportation service and is similar to the terms contained in an ocean bill of lading. The third part, which covers the shipment from the foreign port of entry to interior destinations, provides that "the property shall be subject exclusively to all the conditions of the carrier or carriers completing the transit."

Through export bills relieve the shipper from the necessity of arranging for the transfer of the cargo at the ports. They do not, however, relieve him from the payment of the costs incurred. Many shippers prefer to rebill at the port of export both because they have made satisfactory transfer arrangements which they believe will keep port expenses at a low figure and because they prefer to take full advantage of possible, favorable fluctuations in ocean freights. Owing to freight congestion and the shortage

of ocean tonnage during the war, the use of through bills was restricted to shipments for which the requisite ocean tonnage was engaged at time of issue.

On March 14, 1919, the Interstate Commerce Commission prescribed a uniform export bill of lading. It has not, however, gone into effect, for on July 13 the United States District Court at New York set aside the Commission's order on the ground that Congress had no intention of conferring upon it the right to prescribe the form of carriers' bills of lading.

Parcel Receipts

The minimum freight clause usually contained in ocean bills of lading often makes it too expensive to ship single, small parcels in the ocean freight service and often causes the shipment of them through freight forwarders or international express companies who combine many small packages into 40 cubic feet of space and pay freight at the current rate per measurement ton. Some carriers have, however, seen fit to facilitate the direct shipment of small packages in the ocean freight service by issuing "parcel receipts" which waive the minimum freight clause, but variously limit the liability of the steamship line to a stated maximum value, and in some instances impose restrictions upon the dimensions and weight of parcels and reserve the right of the carrier to refuse to issue parcel receipts when there is a suspicion of unfairness. These receipts were originally intended solely for samples of export merchandise, but their use has become somewhat more general.

From the typical parcel receipt reproduced in Form 11, it will be noted that except in so far as the receipt itself imposes special conditions it embodies all the "conditions, exceptions and liberties" contained in the carrier's bill of lading. Though issued at lower freight rates, the parcel receipt does not fully obviate the difficulty occasioned by minimum bills of lading. The special restrictions imposed, especially those regarding value, hamper its use for banking purposes, and for the shipping of articles of higher value.[2]

[2] During the war various lines discontinued the issuing of Parcels Receipts.

COPY

Taking effect April 1st, 1902. [illegible]

Export Bill of Lading No. 7600 Lot No. 1 Contract No. 530

A D 840 [illegible]

PENNSYLVANIA RAILROAD COMPANY,

IN CONNECTION WITH OTHER CARRIERS ON THE ROUTE.

RECEIVED at Pittsburgh, Pa. from Westmoreland & Company the following property, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, numbered, consigned and destined as indicated below —

CONSIGNEE AND DESTINATION.	MARKS AND NUMBERS.	ARTICLES.
Order Sheffield, England.	H.S.	Fourteen (14) Cases Carriage Goods
PARTY TO BE NOTIFIED	Sheffield	
Henry Sparks Ltd.	1/14	Shippers' Weight 2450 lbs. (subject to correction)

To be carried to the Port (A) of New York and thence by White Star Line to the Port (B) Liverpool [illegible] the property, of the freight thereon, at the rate from Pittsburgh to Liverpool of one hundred twenty-seven [illegible] United States gold currency, per one hundred pounds GROSS WEIGHT [illegible] with all other charges and average, without any allowance of credit [illegible] settlement to be made on the basis of 4 shillings [illegible] United States gold currency; [illegible] at the rate of \$4.80 to the pound sterling [illegible] bought, when ocean freight is prepaid, \$4.80 United States gold is equivalent to one pound sterling.

[illegible]

CONDITIONS.

[illegible]

IN WITNESS WHEREOF, The Agent, signing on behalf of the said the **PENNSYLVANIA RAILROAD COMPANY,** and of the said Ocean Steamship Company, or ocean steamer and her owner, severally and not jointly, hath affirmed to two Bills of Lading all of this tenor and date, one of which Bills being accomplished, the others to stand void.

Dated at Pittsburgh, Pa. *this* 20th *day of* July 1915 190

(OVER.)

Pro Forma *Agent.*
ON BEHALF OF CARRIERS SEVERALLY BUT NOT JOINTLY

Form 10.—Export Bill of Lading

HOLLAND-AMERICA LINE

PHILADELPHIA AND ROTTERDAM-AMSTERDAM

HOLLAND-AMERICA LINE
PHILADELPHIA, PA.

HOLLAND-AMERICA LINE
ROTTERDAM-AMSTERDAM
HOLLAND

No. 10

PHILADELPHIA, July 20, 1913 19

RECEIVED, in apparent good order and condition, from

Smyth and Thompson -

for shipment per S. S. "Ryndam" (Voy.)
bound for Rotterdam the undermentioned Goods, to be carried subject to all conditions, exceptions and liberties contained in the East Bound Bill of Lading of the Company for the time being in use from the Steamer's port of departure.

Marks and Numbers.	Description of Packages and Contents.
S & T Rotterdam D.P. Edger Consignee.	One(1) Case Typewriter Ribbons Freight, $1.00 Charges, ----- Total, $1.00

The Company will not be liable for any parcel or package exceeding $10.00 in value, unless such value be declared by the shipper upon delivery to the Company and freight paid thereon as may be required.

HOLLAND-AMERICA LINE.

Per

FORM 11.—PARCEL RECEIPT

SHIP'S MANIFESTS

When a considerable number of bills of lading for a given port are ready for delivery to the shipper the freight manifest clerks of the Freight Traffic Department begin the work of manifesting. Ship's manifests are required by the Government of the United States and those of foreign countries, yet they are so important in vessel operation that they may also be included among the shipping documents required by the carriers. Ship's manifests are not only prepared in the foreign trade and the trade

between the Atlantic and Pacific Seaboards where they are required by law, but frequently also in domestic trades where there is no legal compulsion, although they are then at times known as way-bills and are not made out in accordance with Government requirements.

The form and contents of ship's manifests are not uniform. The copies prepared for the customs authorities need to contain the items required by the U. S. Government, but beyond this point they vary according to the foreign consular requirements applicable in different trades, and according to the operating conditions and practices that prevail. The sample manifest reproduced in Form 12 which is used by a line operating from New York to Buenos Aires, contains columns for listing the bill of lading numbers, names of shippers and consignees, marks and numbers of packages, description of contents, measurement in feet and inches, weight not only in pounds but also in kilos because the latter is required in the Argentine consular regulations, export declaration number, remarks concerning condition of packing, etc., freight rates, total amount of freight and other charges, amounts prepaid and amounts payable at destination. It also contains the name of the steamer and captain, the vessel's gross and net register tonnage, the number comprising its crew, the port of sailing and port of discharge, and the date of sailing. Ladings are numbered serially for each port and separate manifest is made for shipments to each port of discharge. The manifests are preferably prepared in the language of the destination country as customs regulations in many countries require translation at excessive costs.

Manifesting requires rapidity because it cannot be completed until proper data has been received from the Wharf Department and until the bills of lading are ready for delivery to the shipper, and because the manifest of a large vessel carrying general cargo comprises many sheets and needs to be completed before or shortly after the vessel obtains its clearance from the customs authorities. Manifesting is exacting work, also, because absolute accuracy is required. It is sometimes done by hand, but more commonly on large, especially designed billing machines, able to make a sufficient number of copies at one writing.

Careless typing is not permissible as consular authorities are usually exacting with respect to erasures or corrections. The

THE GLOBE LINE, New York

Gaston, Williams & Wigmore Steamship Corporation,
General Agents.

Freight List.

S.S. X
Sailing New York Sept 19th for Buenos Aires

Gaston, Williams & Wigmore Steamship Corporation,
General Agents

Manifest of Cargo of S.S. X of NEW YORK Captain W.E. SMITH from NEW YORK for BUENOS AIRES

OFFICIAL No. GROSS TONNAGE 4750 NET TONNAGE 3145 CREW 70

	No. of B/L	SHIPPERS	CONSIGNEES	MARKS and NOS.	Pkgs.	DESCRIPTION	Deadweight LBS	Measurement Feet	Measurement Inch	WEIGHT KILOS	Delivery Export Declaration Number	REMARKS	Rate of Freight	TOTAL FREIGHT £	s.	d.	Dolls.	Cts.	CHARGES	PREPAID	PAYBLE AT DESTINATION	
	54	GASTON WILLIAM S & WIGMOR E INC.	VIVENT ROPERT & CO.	BUENOS AIRES V.R.C S. 100/575	1	BALE CLOTH	46	2	3	21	489765		1/ TO CUFT				31	85				
				V.R.C S.101 3/14	2	C/S EYELETS	884	4	10	80												
				V.R.C V. 1/3	3	C/S BAG FRAMES		38	5	384		OLD CASES # 2 RECOOPERED										

FORM 12.—SHIP'S MANIFEST

sources from which the manifest clerks obtain the various cargo items listed in the ship's manifests are the bills of lading and exporter's declarations.

The ship's manifest is used for various purposes: (1) Before clearing from a port in the United States to a foreign port an attested copy of the ship's manifest needs to be delivered to the port collector who then grants a clearance for the vessel and her cargo. He retains an attested copy, which together with the shippers' manifests or export declarations, becomes the basis for the official export statistical returns of the United States and serves as a means for the enforcement of such Government regulation with respect to vessels or cargoes as may be in effect at the time of clearance.

(2) Upon arrival at foreign destination a copy of the manifest needs to be presented, as a requirement incident to entry. Vessels entering American ports from abroad are similarly required to present manifests to the customs authorities upon entry, a preliminary copy being delivered to the custom house officers who board the vessel upon arrival and final attested copies being mailed to the Treasury Department and delivered to the Collector of the Port immediately after the véssel has docked and before discharging of cargo begins. These manifests are used in the collection of import duties, in the enforcement of customs regulations, and in the preparation of the statistical returns in the import trade.

(3) The ship's manifest serves as a routing document and as a check upon cargo at time of discharge.

(4) It serves as a basis for the company's freight revenue accounts.

(5) In time of war it is the principal cargo document examined when a merchant vessel is detained at sea by a man-of-war with a view to identifying its cargo as to kinds of commodities, their origin and destination.

Documents Issued By Carrier When Discharging

When instead of loading cargo and leaving port an ocean carrier enters port, it proceeds to discharge its cargo after having satisfied the customs requirements, but it may not legally release the cargo to the consignee until he presents a customs

permit for examination of the customs guard at the pier. This permit indicates that the consignee has complied with the requirements of the customs authorities concerning imported merchandise.

The Inbound Freight Department of the steamship line in its dealings with the consignee sends to him an *arrival notice and freight bill* such as is shown in Form 13, which informs him of the arrival of the items listed and instructs him to surrender it immediately at the steamship office together with the original

ARRIVAL NOTICE AND FREIGHT BILL

THE GLOBE LINE
GASTON, WILLIAMS & WIGMORE STEAMSHIP CORP.
120 BROADWAY (EQUITABLE BLDG.)
NEW YORK

Homeward _____ S. S. _____ B / L _____
Shipped by _____
From _____ To _____

MARKS AND ARTICLES	WEIGHT	RATE	FREIGHT	CHARGES	INS. PREM.	TOTAL

Please surrender immediately, at our New York Office, 120 Broadway - Equitable Building - (not at the pier), original bill of lading, properly endorsed, pay freight and charges mentioned and obtain delivery order.

Do not call for Shipment until notified that it is ready for delivery.

ALL CARGO WHEN LANDED ON THE PIER WILL BE AT OWNERS RISK.

FORM 13.—ARRIVAL NOTICE AND FREIGHT BILL

bill of lading properly endorsed, and to pay the freight charges shown on the bill.

Entry is at the same time made in a book of record, to be checked against the Cashier's receipts of freight payments. This notice of arrival does not enable the consignee to immediately obtain his merchandise at the piers. It is followed by a *final notice of arrival* such as is reproduced in Form 14, which informs the consignee that the cargo is ready for delivery and unless removed previous to 5 P. M. of a specified date, it will be stored at owner's risk and expense without further notice. Thereafter storage charges accumulate.

The consignee, moreover, cannot obtain his cargo until he obtains the company's *delivery order* which in case of collect

freight shipments is given to him only after payment of freight and delivery of the negotiable bill of lading properly endorsed.

Delivery will be made only on surrender of Delivery Order

Date_____

THE GLOBE LINE
GASTON, WILLIAMS & WIGMORE STEAMSHIP CORP.

The following merchandise is ready for delivery at Pier_____

Homeward_____ S. S._____ B / L._____
Shipped by_____
From_____ To_____

MARKS AND ARTICLES	WEIGHT

FINAL NOTICE

This shipment is ready for delivery.
Please have goods removed at once,
TO AVOID STORAGE.

If not removed previous to 5 P. M._____ will, at your option be stored at owners risk and expense without further notice.

Bills of lading and freight money will not be accepted at the pier, but must be surrendered at our New York office, 120 BROADWAY, in exchange for Delivery Order.

ALL CARGO WHEN LANDED ON THE PIER WILL BE AT OWNERS RISK.

FORM 14.—FINAL NOTICE OF ARRIVAL

If, however, the freight has been prepaid the delivery order is sent to the consignee "at the same time as the arrival notices, or shortly after, subject to presentation of the original endorsed

Delivery Clerk
Please deliver to

*New York*_____

THE GLOBE LINE
GASTON, WILLIAMS & WIGMORE STEAMSHIP CORP.

*Pier*_____

Homeward_____ S. S._____ B / L._____
Shipped by_____
From_____ To_____

MARKS AND ARTICLES	WEIGHT

DELIVERY ORDER

Delivery will be made only on surrender of this Order.

All cargo when landed on the Pier will be at owners risk.

THE GLOBE LINE
GASTON, WILLIAMS & WIGMORE STEAMSHIP CORP

PER_____

FORM 15.—DELIVERY ORDER

bill of lading."[3] It gives authority to the delivery clerk at the company's pier to release cargo to the consignee. A copy is reproduced in Form 15. When the cargo is finally delivered the receiver is required to sign a *delivery receipt* such as is reproduced in Form 16.

In case the consignee is unable to present the original bill of lading with proper endorsement because he has not received it from the shipper, he may furnish a bond such as is reproduced in Form 17. The consignee issuing the bond avers that he is "en-

DELIVERY RECEIPT

Date

THE GLOBE LINE
GASTON, WILLIAMS & WIGMORE STEAMSHIP CORP.

Homeward S. S. B/L
Shipped by
From To

MARKS AND ARTICLES	WEIGHT

Released
Delivering Line Reference

RECEIVED IN GOOD ORDER

DATE	TRUCK OR WAREHOUSE NO.	DELIVERED TO	NO. PACKAGES (IN WRITING) AND CONTENTS	FIGURES	SIGNATURE OF RECEIVER

FORM 16.—DELIVERY RECEIPT

titled to the immediate possession of said goods but has not yet received the bill of lading covering the same, and that he is entitled to said bill of lading, and that the said bill of lading has not been negotiated, sold or transferred." He pledges himself to protect the carrier against any consequences which may be caused by the delivery of the cargo to him. The difficulty, expense and delay incident to the arrangement of such a bond emphasizes the importance of promptly sending a properly endorsed bill of lading to the consignee.

If upon arrival the captain of the vessel fears that cargo may have suffered damage for which his owners should not be held responsible or that the vessel and its fittings have been damaged,

[3] J. A. Slechta, Paper on "Practical Steamship Operation."

he may protect them by making "protest," that is, filing a *note of protest* before a notary public such as is reproduced in Form 18. Later, should actual damage be discovered, he follows this note of protest with an *extension of protest.* The former is a general protest against claims for damage due to the perils of the sea encountered, while the latter recites more specifically

BOND GIVEN FOR PRODUCTION OF BILL OF LADING TO

THE GLOBE LINE

GASTON, WILLIAMS & WIGMORE STEAMSHIP CORPORATION
GENERAL AGENTS

By _____

WHEREAS _____ PACKAGES OF GOODS.

MARKS	NUMBERS	GOODS AND NUMBER OF PACKAGES	WEIGHT OR MEASUREMENT

Shipped by _____

Bill of Lading dated in _____ 191

Consigned to _____ have arrived at the port of New York

on _____ S. S. _____ Voyage _____ B/L _____ from

and the undersigned claim that he, she, or they the owner (s) or consignee (s), and entitled to the immediate possession of said goods but he, she, or they not as yet received the bill of lading covering the same, and that he, she, or they entitled to said bill of lading and that said bill of lading has not been negotiated sold or transferred, and he, she, or they requested The Globe Line, Gaston, Williams & Wigmore Steamship Corporation, Gen'l Agents, to loan he, she, or they a copy of their bill of lading

Now, Therefore, in consideration of such delivery, the undersigned pledge (s) himself, herself, or themselves, his, her, or their successors and assigns to protect the said Globe Line, Gaston Williams & Wigmore Steamship Corporation, Gen'l Agents against any and all consequences which may be caused by such delivery

It is also understood that the undersigned agree (s) to communicate with his, her, or their shippers without delay to procure a Bill of Lading for the goods mentioned which document properly endorsed for the delivery shall be surrendered to The Globe Line, Gaston, Williams & Wigmore Steamship Corporation Gen'l Agents, as soon as practical

This guarantee to be retained by The Globe Line, Gaston, Williams & Wigmore Steamship Corporation, Gen'l Agents and not to be returned under any circumstances.

New York, _____ 191

_____ @ _____ per _____

Primage _____

Charge _____

Total _____

Signature of member of the firm _____

or authorized officer of Corporation _____

FORM 17.—BOND FOR PRODUCTION OF BILL OF LADING

the damage against which the captain protests responsibility. An extension of protest is reproduced in Form 19. These marine protests constitute an important part of the evidence required by insurance companies before losses are settled.

UNITED STATES OF AMERICA

State of New York,
County of
City of New York, } *ss.*

Be it Known, That on this ..... day of ..... A.D., before me, ... a Notary Public, in and for the State of New York, County of ..... and dwelling in the City of New York, duly commissioned and sworn, personally came and appeared .... Master of the ..... called the ..... of ..... of the burden of ..... tons or thereabouts, which sailed from ..... on the ..... day of ..... 191.. with a Cargo ..... bound for ..... and arrived at ..... on the day of ..... last, and fearing damage owing to .....

(Here follows statement of causes which it may be anticipated will cause damage to cargo or vessel)

during voyage, he hereby notes his protest before me, the said Notary, against all losses, damages, etc., reserving right to extend the same at time and place convenient,

Master of .....

Verified before me, the day and year first above written

Notary Public
for the State of New York

FORM 18.—MARINE NOTE OF PROTEST

UNITED STATES OF AMERICA

No.....

STATE OF NEW YORK, }
CITY OF NEW YORK. } ss:

BY THIS PUBLIC INSTRUMENT OF DECLARATION AND PROTEST, be it made known and manifest to all whom it may concern, that on the ..... day of..... in the year of our Lord one thousand nine hundred and.....before.....
.....
personally appeared.....Master of the.....
.....
of.....tons, and noted with.....
in due form of law, his Protest for the uses and purposes hereinafter mentioned. And now, on this day, to wit, the day of the date hereof, before me, ...a Notary Public in and for the County of ..... in the State of New York, duly commissioned and sworn, comes the said Master, and requires me to extend his said Protest, and together with him come and appear.....
.....
all belonging to the aforesaid vessel, all of whom being by me severally duly and solemnly sworn on the Holy Evangelists of Almighty God, voluntarily and freely depose and say that the said vessel, laden with.....
.....
being in every respect seaworthy, and in all things fitted and provided for her intended voyage, sailed on the ....day of ..... 19. .. from.....

(Here follows statement in complete detail of damages or losses which have been encountered and concerning which the master denies vessel's responsibility for reasons as stated hereafter, or for reasons further particularized.)

AND the said deponents on their oaths declare, that the said vessel was at the commencement of the voyage aforesaid, staunch and strong, and had her cargo well and sufficiently stowed and her hatches properly closed and secured; and that during the said voyage they, together with the rest of the crew on board, used their utmost endeavors to preserve the said vessel and her cargo, tackle and apparel from damage or injury. AND that any loss, damage or injury which has arisen or accrued, or that may arise or be sustained, in any way or manner whatever is solely owing to the accidents and difficulties herein set forth and declared, and not to any negligence, want of skill, vigilance or exertion on the part of the deponents, or any of the officers or men of the said vessel.

(SIGNED) .....MASTER
.....
.....
.....
.....
.....

WHEREFORE, the said Master and Commander as aforesaid, hath requested me to PROTEST, and I, the said Notary, at such, his request have PROTESTED and by these presents DO PUBLICLY AND SOLEMNLY PROTEST, against all and every person and persons whom it doth, shall or may concern, and against all and singular the accidents casualties and circumstances already set forth in the foregoing declaration, on oath, for all manner of losses, costs, damages, charges expenses and injuries whatsoever, which the said vessel and her cargo on board, and the freight by her earned, or to be earned, or either of them, or any part thereof, have already sustained, or may hereafter sustain, by reason or means of the foregoing premises.

THUS DONE AND PROTESTED in the City of New York, this .... day of ..... in the year of our Lord one thousand nine hundred and.....
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal.

(SIGNED)
Notary Public, ...County No.

CITY AND COUNTY }
OF NEW YORK } ss:

....a Public Notary in and for the State of New York, County of .... duly commissioned and sworn, do certify the foregoing to be a true and exact copy of an original Protest made before me.

IN TESTIMONY, WHEREOF, I have hereunto set my hand and notarial seal this ..... day of..... one thousand nine hundred and.....

Notary Public, ...County No.

FORM 19.—MASTER'S EXTENSION OF PROTEST

CHAPTER VIII

SHIPPING DOCUMENTS REQUIRED BY THE UNITED STATES GOVERNMENT

In addition to the cargo and vessel documents required by the carriers in their dealings with shippers, consignees and charterers and in the conduct of their transportation business, many official documents are required by the United States Government. They may, to facilitate description, be divided into (1) general ship's papers, (2) vessel clearance documents, (3) vessel entry documents, (4) documents required of exporters, and (5) documents required of importers.

General Ship's Papers

Each vessel engaged in the overseas trade is required to carry an official *ship's register* or measurement certificate which is obtained from the registry authorities of the country in which it is documented. American vessels obtain their certificates of registry from the Commissioner of Navigation, Department of Commerce, under whose supervision the measurement rules of the United States are applied by the admeasurers of the Customs Service. The certificate indicates the name, official number, and ownership of the vessel, the name of the master, when and where it was built, the home port, the vessel's principal dimensions, and other identification data, the capacity of the spaces indicated in its gross tonnage, the space exempted from measurement, the spaces deducted from gross tonnage and the vessel's net register tonnage. A copy is reproduced in Form 20. Preliminary to the issue of a certificate of registry the Government requires a *builder's certificate,* a *surveyor's or admeasurer's certificate,* an *owner's oath,* a *master's oath,* and in case of a vessel sold or transferred to a citizen of the United States an official *bill of sale,* all of which are executed on forms prescribed by the Commissioner of Navigation.

THE UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE
BUREAU OF NAVIGATION

OFFICIAL No. | LETTERS

Measured _____, 1__ Certificate of Registry Radio call: _____
Rebuilt at _____, 1__ Service: _____
Remeasured _____, 1__ IN PURSUANCE OF CHAPTER ONE, TITLE XLVIII, Number of crew: _____
"Regulation of Commerce and Navigation," Revised Statutes of the United States.

Having taken and subscribed the oath [2] _____ required by law, and having sworn [3] _____ that [4] _____

SEAL OF THE DEPARTMENT OF COMMERCE

the only owner [5] _____

of the vessel called the _____ of _____ whereof _____ is at present master, and is a Citizen of the United States, and that the said vessel was built in the year 1____, at _____ of [3] _____ as appears by [6] _____ and [7] _____

having certified that the said vessel is a _____; that she has _____ stock, _____ mast, a _____ head, and a _____ stern; that her register length is _____ 10ths feet, her register breadth _____ 10ths feet, her register depth _____ 10ths feet, her height _____ 10ths feet; that she measures as follows:

	TONS	100ths
Deducting under Tonnage Deck [8]		
Deducting between Decks above Tonnage Deck		
Deducting of Instruments on the Upper Deck, viz: Forecastle ____ bridge ____ pump ____ house ____ Answers ____ side ____ chart ____ sundry ____ various hatchways ____ 10ths light and air		
Gross Tonnage		
Deductions under Section 4153, Revised Statutes, as amended:		
Crew space ____ Master's cabin ____		
Steering gear ____ Anchor gear ____ Boatswains stores ____		
Chart house ____ Donkey engine and boiler ____ Radio house ____		
Storage of sails ____ Propelling power [9] ____		
Total Deductions		
Net Tonnage		

The following described spaces, and no others, have been omitted, viz: [10] Forepeak used for water ballast _____ afterpeak used for water ballast _____ open forecastle _____ open bridge _____ open pump _____ open shelter deck _____ anchor gear _____ steering gear _____ donkey engine and boiler _____ light and air _____ wheelhouse _____ galley _____ condenser _____ water closets _____ cabins _____

and the said [11] _____ having agreed to the description and admeasurement above specified according to law, said vessel has been duly registered at this Port.

Given under my hand and seal, at the Port of _____ this _____ day of _____ in the Year One thousand nine hundred and _____

PLACE FOR SEAL OF NAVAL OFFICER

PLACE FOR SEAL OF COLLECTOR

Naval Officer

Collector of Customs

Eugene Tyler Chamberlain
Commissioner of Navigation

FORM 20.—CERTIFICATE OF REGISTRY

FORM 841 FILE No. V

THIS CERTIFICATE EXPIRES _____, 191

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE
STEAMBOAT-INSPECTION SERVICE

CERTIFICATE OF INSPECTION
FOR STEAM OR MOTOR VESSEL

State of _____
District of _____ _____ *Vessel* _____

APPLICATION in writing having been made to the undersigned, *Inspectors for this District*, to inspect the above-named vessel propelled by _____, of _____, in the State of _____, whereof _____ owner, and _____ is Master, said inspectors, having completed the inspection of the vessel on the _____ day of _____, 191 , DO CERTIFY that the said vessel was built at _____, in the State of _____, in the year 1_____; rebuilt in the year 1_____; that the Hull is constructed of _____; and, as shown by official records, is of _____ gross tons; that the said vessel has _____ Staterooms and _____ Berths, and is allowed to carry _____ passengers, viz: _____ First-cabin, _____ Second-cabin, and _____ Deck or Steerage Passengers.

Of the deck crew (which includes boatswains, quartermasters, apprentices, seamen or deck hands), hereinafter specified and designated, 40 per cent thereof, excluding apprentices, must be certificated able seamen. After November 4, 1916, 45 per cent thereof must be certificated able seamen. Included in the entire crew hereinafter specified and designated there must be _____ certificated lifeboat men.

also is required to carry a full complement of officers and crew, consisting of _____ licensed Master, _____ licensed Master and Pilot, _____ licensed Pilot, _____ licensed Mate, _____ Quartermaster, _____ Able Seamen, _____ Seamen, _____ Apprentices, _____ Deck Hand, _____ certificated Lifeboat Men, _____ licensed Chief Engineer, _____ licensed Assistant Engineer, _____ licensed Junior Engineer, _____ Water Tender, _____ Oiler, _____ Firemen, _____ Coal Passer, _____ Wiper, _____ Watchmen, and also _____ persons when needed in Steward's and other departments not connected with the navigation of the vessel; that the said vessel is provided with _____ Condensing Engine of _____ inches diameter of cylinder and _____ feet stroke of piston, and _____ Boiler, _____ feet in length and _____ inches in diameter, made of lawful _____, in the year 1_____, rebuilt in the year 1_____ The said vessel is permitted to navigate, for one year, the waters of the _____, between _____, and touching at intermediate ports, a distance of about _____ miles and return.

WE FURTHER CERTIFY that the said vessel at the date hereof is, in all things, in conformity with the laws governing the Steamboat-Inspection Service and the Rules and Regulations of the Board of Supervising Inspectors.

THE FOLLOWING PARTICULARS OF INSPECTION ARE ENUMERATED, NAMELY:

Anchors, No. _____ Cables, No. _____	Auxiliary life-saving appliances, No. and kind _____	MAIN BOILERS.	DONKEY BOILERS.
Has signal lights _____	Has line-carrying protection, and means of propelling them _____	Boiler plate: Thickness of _____ Tensile strength of _____ Record in local inspectors' office at _____	No. _____ When built, 1_____ Diameter of _____ Thickness of plate _____ Tensile strength of plate _____ Record in local inspectors' office at _____
Metal lifeboats _____ No. _____	Fire extinguishers _____ No. _____	Boiler shell _____ drilled _____ 1_____ Thickness of plate found _____ two inch. Longitudinal seams _____ riveted. Rules _____	
Wooden lifeboats _____ No. _____	Portable hand fire pumps _____ No. _____	Maximum steam pressure allowed _____ lbs. Hydrostatic pressure applied _____ lbs. Feed pumps for boilers _____ No. _____ Steam fire pumps, double-acting, No. _____	Maximum steam pressure allowed to donkey boiler, _____ pounds. Hydrostatic pressure applied to donkey boiler, _____ pounds.
Working boat _____ No. _____	Double-acting hand fire pumps _____ No. _____		
Collapsible lifeboats _____ No. _____	Fire buckets _____ No. _____		
Every lifeboat has equipment in accordance with the rules _____	Water barrels _____ No. _____		
Life rafts _____ No. _____	Water tanks, No. _____ Area, No. _____		
Life preservers for adults _____ No. _____	Date when shaft was last drawn _____		
Life preservers for children _____ No. _____			

State of _____ } *ss:* _____, *Inspector of Hulls.*
_____ } _____, *Inspector of Boilers.*

Subscribed and _____ (Sworn or affirmed) to before me this _____ day of _____, 191 , by _____ Inspector of Hulls, and by _____, Inspector of Boilers.

Office of U. S. Local Inspectors,
District of (Port) _____, 191

WE HEREBY CERTIFY that the above certificate is a true copy of the original issued by this office to the vessel named herein.

_____, *Inspector of Hulls.* _____, *Inspector of Boilers.*

On vessels of over 25 gross tons, the original certificate must be framed under glass and posted in a conspicuous place in the vessel where it will be most likely to be observed by passengers and others. On vessels of not over 25 gross tons, the original certificate must be kept on board to be shown on demand. (*Section 4429, Revised Statutes.*)

Steam pleasure yachts are forbidden to carry merchandise or passengers for pay, unless upon change of character by the Inspectors of the Steamboat-Inspection Service.

FORM 21.—CERTIFICATE OF INSPECTION

Vessels are also required to carry an *inspection certificate* issued by the United States Steamboat Inspection Service, Department of Commerce. The certificate for American steam or motor vessels reproduced in Form 21 is issued after careful inspection of hull, boilers and equipment and in addition indicates the required complement of officers and crew and the maximum number of passengers which the vessel may carry. It is signed by an inspector of hulls and an inspector of boilers and it expires at the end of one year. The forms of inspection certificate for American steamers and motor boats, for sailing vessels and barges carrying passengers for hire, for sea-going barges of 100 tons gross register or over, and for foreign steamers carrying passengers differ in various respects.

Documents Required on Clearing a Vessel in the Foreign Trade

In the overseas trade the crew of an American vessel engaged at an American port is signed up before a United States Shipping

Form 22a.—Shipping Articles

FORM 705A

SHIPPING ARTICLES

DEPARTMENT OF COMMERCE
BUREAU OF NAVIGATION
SHIPPING SERVICE

Notice is hereby given that Section 4519 of the U. S. Revised Statutes makes it obligatory on the part of the master of a merchant vessel of the United States, at the commencement of every voyage or engagement, to cause a legible copy of the agreement (omitting signature) to be placed or posted up in such part of the vessel as to be accessible to the crew, under a penalty not exceeding One Hundred Dollars

EUGENE T. CHAMBERLAIN,
Commissioner of Navigation.

ADVANCE WAGES AND ALLOTMENTS.

SEC. 10 (a) That it shall be, and is hereby, made unlawful in any case to pay any seaman wages in advance of the time when he has actually earned the same, or to pay such advance wages, or to make any order, or note, or other evidence of indebtedness therefor to any other person, or to pay any person, for the shipment of seamen when payment is deducted or to be deducted from a seaman's wages. Any person violating any of the foregoing provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than $25 nor more than $100, and may also be imprisoned for a period of not exceeding six months, at the discretion of the court. The payment of such advance wages or allotment shall in no case except as herein provided absolve the vessel or the master or the owner thereof from the full payment of wages after the same shall have been actually earned, and shall be no defense to a libel suit or action for the recovery of such wages. If any person shall demand or receive, either directly or indirectly, from any seaman or other person seeking employment, as seamen, or from any person on his behalf, any remuneration whatever for providing him with employment, he shall for every such offense be deemed guilty of a misdemeanor and shall be imprisoned not more than six months or fined not more than $500.

(b) That it shall be lawful for any seaman to stipulate in his shipping agreement for an allotment of any portion of the wages he may earn to his grandparents, parents, wife, sister, or children.

(c) That no allotment shall be valid unless in writing and signed by and approved by the shipping commissioner. It shall be the duty of the said commissioner to examine such allotments and the parties to them and enforce compliance with the law All stipulations for the allotment of any part of the wages of a seaman during his absence which are made at the commencement of the voyage shall be inserted in the agreement and shall state the amounts and times of the payments to be made and the persons to whom the payments are to be made.

(d) That no allotment except as provided for in this section shall be lawful. Any person who shall falsely claim to be such relation, as above described, of a seaman under this section shall for every such offense be punished by a fine not exceeding $500 or imprisonment not exceeding six months, at the discretion of the court.

(e) That this section shall apply as well to foreign vessels while in waters of the United States, as to vessels of the United States, and any master, owner, consignee, or agent of any foreign vessel who has violated its provisions shall be liable to the same penalty that the master, owner, or agent of a vessel of the United States would be for similar violation.

The master, owner, consignee, or agent of any vessel of the United States, or of any foreign vessel seeking clearance from a port of the United States shall present his shipping articles at the office of clearance, and no clearance shall be granted any such vessel unless the provisions of this section have been complied with.—*Act of June 26, 1884, as amended by the Acts of June 19, 1886; December 21, 1898; April 26, 1904; June 28, 1906, sec. 4, and March 4, 1915.*

FORM 22A.—SHIPPING ARTICLES (*Continued*)

VESSELS OF UNITED STATES MUST HAVE SLOP-CHESTS, ETC.

SEC. 11. That every vessel mentioned in section forty-five hundred and sixty-nine of the Revised Statutes shall also be provided with a slop-chest, which shall contain a complement of clothing for the intended voyage for each seaman employed, including boots or shoes, hats or caps, under clothing and outer clothing, oiled clothing, and everything necessary for the wear of a seaman; also a full supply of tobacco and blankets. Any of the contents of the slop-chest shall be sold, from time to time, to any or every seaman applying therefor, for his own use, at a profit not exceeding ten per centum of the reasonable wholesale value of the same at the port at which the voyage commenced. And if any such vessel is not provided, before sailing, as herein required, the owner shall be liable to a penalty of not more than five hundred dollars. The provisions of this section shall not apply to vessels plying between the United States and the Dominion of Canada, Newfoundland, the Bermuda Islands, the Bahama Islands, the West Indies, Mexico, and Central America.—*Act June 26, 1884.*

Every vessel bound on any foreign voyage exceeding in length fourteen days shall also be provided with at least one suit of woolen clothing for each seaman, and every vessel in the foreign or domestic trade shall provide a safe and warm room for the use of seamen in cold weather. Failure to make such provision shall subject the owner or master to a penalty of not less than one hundred dollars.—*Sec. 4572, R.S., as amended by the Act of December 21, 1898.*

Vessels engaged in the whaling or fishing business are not covered by the above provisions of law, or by the regulations below regarding scale of provisions.

CORPORAL PUNISHMENT PROHIBITED.

Flogging and all other forms of corporal punishment are hereby prohibited on board of any vessel, and no form of corporal punishment on board of any vessel shall be deemed justifiable, and any master or other officer thereof who shall violate the aforesaid provisions of this section, or either thereof, shall be deemed guilty of a misdemeanor, punishable by imprisonment for not less than three months nor more than two years. Whenever any officer other than the master of such vessel shall violate any provision of this section, it shall be the duty of such master to surrender such officer to the proper authorities as soon as practicable, provided he has actual knowledge of the misdemeanor, or complaint thereof is made within three days after reaching port. Any failure on the part of such master to use due diligence to comply herewith, which failure shall result in the escape of such officer, shall render the master of vessel or the owner of the vessel liable in damages for such flogging or corporal punishment to the person illegally punished by such officer.

ARTICLES OF AGREEMENT BETWEEN MASTER AND SEAMEN IN THE MERCHANT SERVICE OF THE UNITED STATES.

Required by Act of Congress, Title LIII, Revised Statutes of the United States.

Office of the U. S. Shipping Commissioner for the Port of Philadelphia, Pa., June 5, 1916.

IT IS AGREED between the Master and seamen, or mariners, of the steamship Saracen of which Capt. John Brown is at present Master, or whoever shall go for Master, now bound from the Port of (1) *Philadelphia, Pa., to Liverpool, England, and such other ports and places in any part of the world as the Master may direct, and back to a final port of discharge in the United States, for a term of time not exceeding eight (8) calendar months.*(2)

GOING ON SHORE IN FOREIGN PORTS IS PROHIBITED
EXCEPT BY PERMISSION OF THE MASTER

No dangerous weapons (3) or grog allowed, and none to be brought on board by the crew.

SCALE OF PROVISIONS to be allowed and served out to the Crew during the voyage in addition to the daily issue of lime and lemon juice and sugar, or other antiscorbutics in any case required by law.

		Sunday.	Monday	Tuesday.	Wednesday.	Thursday.	Friday.	Saturday.
Water	quarts	5	5	5	5	5	5	5
Biscuit	pound	½	½	½	½	½	½	½
Beef, salt	pounds			1¼		1¼		1¼
Pork, salt	pound		1		1		1	
Flour	pound	½		½		½		
Canned meat	pound	1			1			
Fresh bread	pounds	1½	1½	1½	1½	1½	1½	1½
Fish, dry, preserved, or fresh	pound						1	
Potatoes or yams	pound	1	1	1	1	1	1	1
Canned tomatoes	pound	½					½	
Pease	pint			½			½	
Beans	pint		½		½			½
Rice	pint		½					½
Coffee (green berry)	ounce	¾	¾	¾	¾	¾	¾	¾
Tea	ounce	⅛	⅛	⅛	⅛	⅛	⅛	⅛
Sugar	ounces	3	3	3	3	3	3	3
Molasses	pint	½		½		½		
Dried fruit	ounces	3		3		3		
Pickles	pint		¼		¼		¼	
Vinegar	pint			½				½
Corn meal	ounces	4				4		
Onions	ounces	4				4		4
Lard	ounce	2	2	2	2	2	2	2
Butter	ounce	1	1	1	1	1	1	1

Mustard, pepper, and salt sufficient for seasoning.

Butter and lard allowances are misstated above. Figures should read: Two ounces of butter and one ounce of lard for each day.

FORM 22A SHIPPING ARTICLES (*Continued*)

SUBSTITUTES.

One pound of flour daily may be substituted for the daily ration of biscuit or fresh bread; two ounces of desiccated vegetables for one pound of potatoes or yams; six ounces of hominy, oatmeal, or cracked wheat, or two ounces of tapioca, for six ounces of rice; six ounces of canned vegetables for one-half pound of canned tomatoes; one-eighth of an ounce of tea for three-fourths of an ounce of coffee; three-fourths of an ounce of coffee for one-eighth of an ounce of tea; six ounces of canned fruit for three ounces of dried fruit; one-half ounce of lime juice for the daily ration of vinegar; four ounces of oatmeal or cracked wheat for one-half pint of corn meal; two ounces of pickled onions for four ounces of fresh onions.

When the vessel is in port and it is possible to obtain the same, one-and-one-half pounds of fresh meat shall be substituted for the daily rations of salt and canned meat; one-half pound of green cabbage for one ration of canned tomatoes; one-half pound of fresh fruit for one ration of dried fruit. Fresh fruit and vegetables shall be served while in port if obtainable. The seamen shall have the option of accepting the fare the master may provide, but the right at any time to demand the foregoing scale of provisions.

The foregoing scale of provisions shall be inserted in every article of agreement, and shall not be reduced by any contract, except as above, and a copy of the same shall be posted in a conspicuous place in the galley and in the forecastle of each vessel.

And the said crew agree to conduct themselves in an orderly, faithful, honest, and sober manner, and to be at all times diligent in their respective duties, and to be obedient to the lawful commands of the said Master, or of any person who shall lawfully succeed him, and of their superior officers, in everything relating to the vessel, and the stores and cargo thereof, whether on board, in boats, or on shore; and in consideration of which service to be duly performed the said Master hereby agrees to pay to the said crew, as wages, the sums against their names respectively expressed, and to supply them with provisions according to the foregoing scale. And it is hereby agreed, that any embezzlement or willful or negligent destruction of any part of the vessel's cargo or stores shall be made good to the owner out of the wages of the person guilty of the same. And if any person enters himself as qualified for a duty which he proves himself incompetent to perform, his wages shall be reduced in proportion to his incompetency. And it is also agreed that if any member of the crew considers himself to be aggrieved by any breach of the agreement or otherwise, he shall represent the same to the Master or officer in charge of the ship in a quiet and orderly manner, who shall thereupon take such steps as the case may require.

It is also agreed that (4) *the crew shall load and discharge cargoes, keep their respective quarters clean, and work on the day of discharge until 5 o'clock* P. M.; *that any dispute relative to wages, provisions and fines between the Master or any officer of the vessel, and any member of the crew shall be submitted to a U. S. Shipping Commissioner or Consul, and that any decision rendered by him shall be binding upon both parties and shall, in any legal proceeding which may be taken in the matter before any court of justice, be deemed conclusive of the rights of the parties as to such question or subject of dispute.*

Attest:
A. R. Smith, U. S. S. C.

The authority of the Owner or Agent for the allotments mentioned within is in my possession.

A. R. Smith { *Shipping Commissioner or Consular Officer.*

This is to be signed if such an authority has been produced, and to be scored across in ink if it has not.

IN WITNESS WHEREOF the said parties have subscribed their names on the other side or sides hereof on the days against their respective signatures mentioned.

Signed by John Brown, Master, on the 5th day of June, 1916.

DATE OF COMMENCEMENT OF VOYAGE.	PORT AT WHICH VOYAGE COMMENCED.	THESE COLUMNS TO BE FILLED UP AT THE END OF THE VOYAGE.		
		DATE OF TERMINATION OF VOYAGE	PORT AT WHICH VOYAGE TERMINATED.	DATE OF DELIVERY OF LISTS TO SHIPPING COMMISSIONER

I hereby declare to the truth of the entries in this Agreement and account of crew, etc.

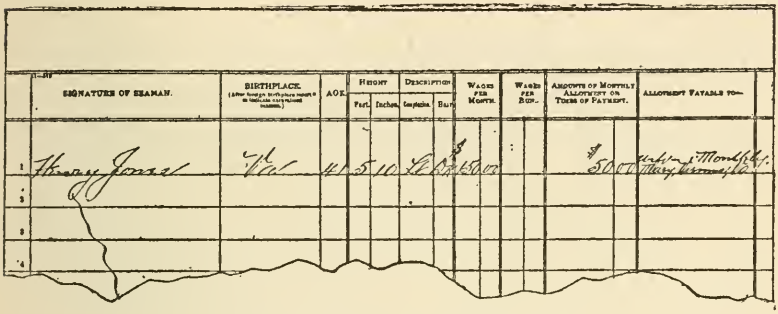
..... *Master.*

1. Here the voyage is to be described, and the places named at which the ship is to touch; or, if that can not be done, the general nature and probable length of the voyage is to be stated, and the port or county at which the voyage is to terminate.
2. If these words are not necessary they must be stricken out.
3. Sec. 4608, R. S., prohibits the wearing of sheath-knives on shipboard, and the Master informs the crew of this law.
4. Here any other stipulations may be inserted to which the parties agree, and which are not contrary to law.

N B.—Forms must not be unstitched. No leaves may be taken out of it, and none added or substituted. Care should be taken at the time of engagement that a sufficiently large form is used. If more men are engaged during the voyage than the number for whom signatures are provided in this form, an additional form should be obtained and used.

Any Erasure, Interlineation, or Alteration in this Agreement will be void, unless attested by a Shipping Commissioner, Consul-General, Consul, or Consular Agent, to be made with the consent of the persons interested.

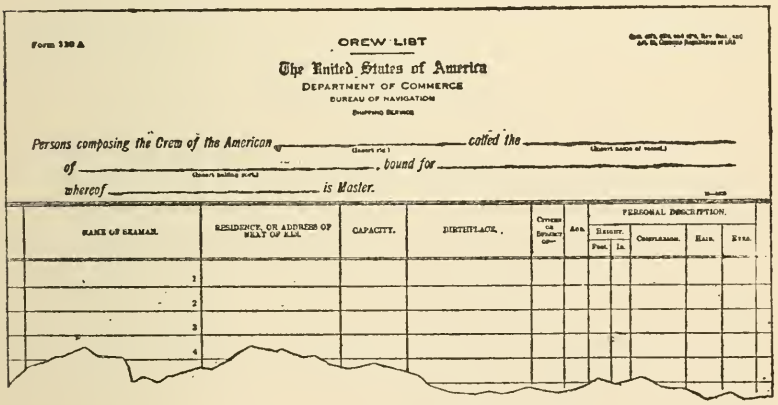
Commissioner, or at ports where such official is not stationed, before the collector or deputy collector of customs; and at foreign ports before a consular officer or commercial agent if



	Signature of Seaman.	Birthplace.	Age.	Height Feet.	Height Inches.	Description Complexion.	Description Hair.	Wages per Month.	Wages per Run.	Amounts of Monthly Allotment or Times of Payment.	Allotment Payable to—
1	Henry Jones	Va	41	5	10	Lt	Bk	$50.00		$50.00	Mary Jones, Va
2											
3											
4											

Form 22B.—(Back of Form 22A)

such officer is located at the port of shipment. The document signed is known as the *Shipping Articles* and is the official agreement between master and crew, as to wages, scale of provisions,



Form 23A

CREW LIST

The United States of America

DEPARTMENT OF COMMERCE

BUREAU OF NAVIGATION

SHIPPING SERVICE

Persons composing the Crew of the American _____ *called the* _____

of _____ *, bound for* _____

whereof _____ *is Master.*

	Name of Seaman.	Residence, or Address of Next of Kin.	Capacity.	Birthplace.	Citizen or Subject of—	Age.	Personal Description. Height Feet.	Height In.	Complexion.	Hair.	Eyes.
1											
2											
3											
4											

Form 23A.—Crew List

period of service and conditions of labor, and also embodies the sections of the United States navigation laws with reference to advanced wages and allotments, medicine and slop-chest and corporal punishment (see Forms 22a and 22b).

I, ..., Master of the said American ....., do solemnly, sincerely, and truly swear that the within List contains the names of all the Crew of the said vessel, together with the places of their birth and residence, as far as I can ascertain the same.

.....
Master

PORT OF .....

Subscribed and sworn to this .... day of ....., 191.., before me.

.....
Deputy Collector.

FORM 23B, REVERSE.—OATH OF MASTER CERTIFYING CREW LIST

Before clearance the master of an American vessel is similarly required to produce two copies of its *crew list,* containing the name and description of every member of the crew, the capacity in which he is employed, his birthplace, citizenship, and the residence or address of his next of kin. One copy is certified and used on return of the vessel to the United States in accounting for its crew to the Collector at the port of entrance. Both the ship's articles and the crew list carried on board the vessel must upon request be produced before any consul or commercial agent of the United States (see Form 23a).

Under the Seamen's Act of 1915 the vessel's master before clearing makes oath to the effect that the vessel "has a crew of —— persons, of which not less than 75 per cent. thereof, in each department, are able to understand any order given by the officers of the vessel, that all of the said crew were duly shipped at this port before a United States Shipping Commissioner on ——, 191—, and not less than 40 per cent. of the deck crew, viz., members thereof, of the vessel are able seamen, duly qualified as such, as required by Section 13, the Seamen's Act of March 4, 1915, and that none of the members of the crew so shipped at this port has been paid any advanced wages or been permitted to assign any part of his wages due or to become due and—that the provisions of the said Seamen's Act, so far as they relate to the said vessel, have been fully complied with." The prescribed form of this oath is shown in Form 24. The master or agent is similarly required to certify on the prescribed form shown in Form 25 as to the vessel's equipment with proper radio appliances and operators as required by the acts of June 24, 1910, and July 23, 1912.

Custom House, N. Y.
Multi Form No.
B-2.

AMERICAN.

United States Custom Service

COLLECTION DISTRICT NO. 10, PORT OF NEW YORK

.....*John Brown*....., being duly sworn, says:

That he is master of the S. S. .....*Saracen*....., clearing from this port this day; that the said vessel has a crew of ..*75*.. persons, of which not less than 75% thereof, in each department, are able to understand any order given by the officers of the vessel; that all of the said crew were duly shipped at this port before the U. S. Shipping Commissioner on ..*July 22*...., *1919*; and that not less than 40% of the deck crew, viz., members thereof, of the vessel are able seamen, duly qualified as such, as required by section 13 of the Seamen's Act of March 4, 1915, and that none of the members of the crew so shipped at this port has been paid any advance wages or been permitted to assign any part of his wages due or to become due; and,

I further swear that to the best of my knowledge and belief the provisions of the said Seamen's Act, so far as they relate to the said vessel, have been fully complied with.

.....
Master.

Sworn to before me this..*22*..
day of ....*July*....., 1919..

FORM 24.—MASTER'S OATH UNDER SEAMEN'S ACT

If it is desired to load ballast, cargo or fuel after sunset a permit must be obtained from the customs authorities. This was until recently granted in a special permit form, but has been consolidated with other forms into the "general permit to lade or unlade" which is reproduced in the section containing vessel entry documents (Form 39). Before a cargo steamer clears, the master is required to make oath that his vessel will not carry on the present voyage any passengers or persons not regularly entered upon its shipping articles as a member of the crew (see Form 26).

Form 753 B

MASTER'S CERTIFICATE OF RADIO APPARATUS

NOTICE.—"The radio equipment must be in charge of two or more persons skilled in the use of such apparatus, one or the other of whom shall be on duty at all times while the vessel is being navigated. Such equipment, operators, the regulation of their watches, and the transmission and receipt of messages, except as may be regulated by law or international agreement, shall be under the control of the master, in the case of a vessel of the United States; and every willful failure on the part of the master to enforce at sea the provisions of this paragraph as to equipment, operators, and watches shall subject him to a penalty of one hundred dollars."—*Act of July 23, 1912.*

CLEARANCE

DEPARTMENT OF COMMERCE
BUREAU OF NAVIGATION
RADIO SERVICE

Port of NEW YORK

July 22 191 9

This is to certify that I have to-day examined the apparatus for radio communication on the British (Nationality.) S. S. War Spaniel

of which I am master, about to leave this port for Liverpool, and I have found the same efficient and in good working order, as prescribed by the act of June 24, 1910, as amended by the act of July 23, 1912.

(Signed) .....
Master.

FORM 25.—CERTIFICATE OF RADIO APPARATUS WHEN CLEARING

Cat. No. [illegible]

OATH OF MASTER OF FOREIGN STEAM VESSEL CLEARING WITHOUT PASSENGERS

[Art. 157, Customs Regulations of 1915]

DEPARTMENT OF COMMERCE
BUREAU OF NAVIGATION

I, R. O. Jones, *master of the* Br *Steamer named the* War Spanish, *bound from the Port of* New York, *to the Port of* Cbose *in* Eng., *with freight (or ballast) only, do solemnly swear (or affirm) that said steamer will not carry upon the present voyage, from any American port, any Cabin, Steerage, Deck, or other Class Passenger, nor any person whatever not regularly entered upon the shipping articles of the steamer as a member of the crew rendering service as such.*

R. O. Jones
Master

Subscribed and sworn to before me this _____ *day of* _____, *19*__

_____
Collector of Customs.

[illegible]

FORM 26.—OATH OF MASTER OF STEAM VESSEL CLEARING WITHOUT PASSENGERS

Custom House, N. Y.
Multi Form No.
B-13.

OATH OF MASTER ON CLEARANCE OF VESSEL FOR PORTS IN ARGENTINA OR MEXICO, GREAT BRITAIN OR IRELAND, OR ANY OF THE COUNTRIES OF CONTINENTAL EUROPE

United States Custom Service

COLLECTION DISTRICT NO. 10, PORT OF NEW YORK

DISTRICT OF NEW YORK }
PORT OF NEW YORK } *ss.*

I, ...*R. O. Jones*....., do solemnly, sincerely and truly swear that I am the master of the steamship or vessel called the ....*British S. S. War Spanicl*..... for which clearance is this day requested, and that no meat or meat food products, as defined and classified by the Department of Agriculture, are or will be included in the cargo of the said steamship, or vessel, unless such meat or meat food products are duly marked "U. S. Inspected and Passed," and that the certificates covering same, required by the regulations of the Bureau of Animal Industry, Department of Agriculture, known as Regulations 25 B.A. I. Order No. 150, have been obtained from the Department of Agriculture and are herewith filed with the master's manifest, or will hereafter be filed with the supplemental manifest of the cargo of said vessel.

.....
Master

Subscribed and sworn to before me
this ..*22*.. day of ....*July*....., 191*9*.

FORM 27.—OATH OF MASTER UNDER MEAT INSPECTION LAW

If meat or meat food products are included in cargoes destined for Argentina, Mexico, Great Britain or any of the Continental countries of Europe, the master is also required to swear that none will be included unless duly marked, "United States Inspected and Passed," and covered by export inspection certificates of the Department of Agriculture which are filed with the ship's manifest (see Form 27). A *Port Sanitary Statement* showing the number of cases of and deaths from various contagious diseases reported at its port of clearance during the preceding two weeks needs to be obtained from the United States Public Health Service (see Form 28), and any bills of health that may be required by foreign countries must be obtained from their respective consular authorities.

The *ship's manifest,* described in the preceding chapter, is also to be included among the official documents required by the

TREASURY DEPARTMENT,
U. S. PUBLIC HEALTH SERVICE,
FORM 1964.
Ed. 60,000—F. C., Jan. 20-14.

THE UNITED STATES OF AMERICA

PORT SANITARY STATEMENT,

U. S. PUBLIC HEALTH SERVICE.

Port of New York, N.Y.

Vessel: British s/s War Spaniel

Bound from New York, N.Y. *to* Liverpool England

Number of cases of and deaths from the following-named diseases reported during the two weeks ending June 21, 1912, *191*

DISEASES.	NUMBER OF CASES.	NUMBER OF DEATHS.	REMARKS. (Any condition affecting the public health existing in the port to be stated here, including operations in rodent examination and extermination.)
Cerebro-spinal Meningitis (epidemic)	13	8	
Cholera, Asiatic	0	0	
Diphtheria	617	43	POPULATION 5,681,871
Measles	661	5	
Plague	0	0	
Poliomyelitis (acute anterior poliomyelitis)	1	0	
Scarlet Fever	138	7	
Smallpox	1	0	NO QUARANTINABLE DISEASE IN EPIDEMIC FORM EXISTS IN THIS PORT AT PRESENT.
Typhoid Fever	20	2	
Typhus Fever	0	0	
Yellow Fever	0	0	
TOTALS			

Vessel last fumigated at _____, *19*

Given under my hand and seal this _____ *day of* _____ *191*

SEAL

D. B. Young
Surgeon, U. S. Public Health Service.

FORM 28.—PORT SANITARY STATEMENT

Government because it is used not only for purposes of vessel operation, freight handling and accounting but also to satisfy legal requirements at time of vessel clearance and entry. On

the back of the official outward foreign manifests are oaths to be executed by the master of the vessel and the custom house broker acting as attorney for the agent. If a foreign trade ves-

TREASURY DEPARTMENT.
Customs Cat. No. 7302.
T. D. 31703.
C. D., Oct. 12-14.

REQUEST FOR IMMEDIATE CLEARANCE

U. S. CUSTOMS SERVICE

COLLECTION DISTRICT NO. 10

PORT OF NEW YORK

July 22, 1919

I, Spaniel Steamship Co.
(Master, owner, or agent of vessel.)
of the British s/s War Spaniel
(Flag, motive power, and name of vessel.)
hereby request that clearance be granted immediately to the above-named vessel to proceed to the port of Liverpool, country of England prior to the filing of a complete manifest of all cargo on board as required by Sec. 4197, Revised Statutes, and prior to the filing of shippers', owners', or consignors' export declarations as required by Sec. 4200, Revised Statutes, on condition that a complete manifest, together with the shippers' export declarations or certified extracts thereof, will be filed on the next business day after the departure of said vessel, and in the event of shippers' export declarations not having been received, that pro forma declarations on Customs Form Cat. No. 7303 will be filed with the complete manifest and the delinquent shippers' declarations will be filed within fifteen (15) days after the date of the clearance of the vessel.

Spaniel Steamship Co.

(Master, owner, or agent of vessel.)

[OVER.]

FORM 29.—REQUEST FOR IMMEDIATE CLEARANCE

sel desires to clear before delivery of its complete manifest a "request for immediate clearance" must be made on Form 29 and a bond to produce it on the next business day after the ves-

sel's departure must be filed with the Port Collector (see Form 30). The vessel is likewise held accountable for delivery of the

BOND OF VESSEL TO PRODUCE COMPLETE MANIFEST AND EXPORT DECLARATIONS

KNOW ALL MEN BY THESE PRESENTS, That Spaniel Steamship Co.,

address 120 Broadway, (Master, owner, or agent)

of the vessel War Spaniel as principal,

and ..... address .....

and ..... address .....

as sureties, are held and firmly bound unto the UNITED STATES OF AMERICA in the sum of five hundred ($500) dollars, for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WITNESS our hands and seals this 22 day of July, 191 9

WHEREAS, the above-bounden principal has requested permission to clear the within-named vessel to the within-named destination prior to the filing of a complete manifest of all cargo on board, as required by Sec. 4197, Revised Statutes, and prior to filing of shippers', owners', or consignors' export declarations thereof as required by Sec 4200, Revised Statutes:

NOW, THEREFORE, the condition of this bond is such that if the above-bounden obligors shall deliver to the Collector of Customs at the port of exportation a complete outward manifest of all cargo on board said vessel, with the particulars thereof, as required by Sec. 4199, Revised Statutes, together with certified extracts of shippers' declarations (or such declarations as have been lodged with them) not later than the next business day after the departure of the said vessel, and in the event of the shippers' export declarations not having been received shall file a pro forma export declaration with the completed manifest, and also shall cause to be delivered to the Collector of Customs within fifteen days after the clearance of the said vessel all delinquent shippers' export declarations in the prescribed form, and for failure to file the completed vessel's manifest, as aforesaid, shall pay to the Collector of Customs as liquidated damages the sum of five hundred ($500) dollars, and for each actual shipper's export declaration not filed within the prescribed time shall pay to the Collector of Customs the sum of fifty ($50) dollars as liquidated damages; the aggregate liquidated damages under this bond not to exceed five hundred ($500) dollars, then this obligation to be void, otherwise it shall remain in full force and effect

Spaniel Steamship Co.,

..... (L. S.)

..... (L. S.)

..... (L. S.)

Signed, sealed, and delivered in the presence of—

.....

.....

FORM 30.—BOND TO PRODUCE COMPLETE MANIFEST AND EXPORT DECLARATIONS

sworn export declarations of cargo shippers with the complete manifest, although, before the war, it was not required to deliver them until fifteen days after the date of clearance.

An informal *report of entrance or clearance of vessels in foreign trade* is also made to the customs authorities on Form 31. During the war the War Trade Board required the master to make affidavit and agree not to receive or deliver any cargo in violation of the Trading with the Enemy Act of October 6, 1917 (Form 32); and it required the master, owner, time charterer or agent to make application to obtain a license for bunker fuel, port, sea and ship's stores and supplies (Form 33). The Division of Planning and Statistics of the Shipping Board re-

Custom House, N. Y.
Multi. Form No. B-17

REPORT OF ENTRANCE OR CLEARANCE OF VESSELS IN FOREIGN TRADE

No _____ July 22 . 1912.

Vessel British s/s War Spaniel

Kind of Cargo General Net tons 6465

Master R.O.Jones Crew 78 Pass Yes

Entered	Cleared
By	By Spaniel Steamship Co.
From	For Liverpool
Vessel docked at Pier PIER 55 N. R.	Manifest (Incomplete) (~~Complete~~) Fees $ 2.50
	Laden at this port 455 Tons bunker coal Gals. fuel oil

REMARKS

FORM 31.—REPORT OF ENTRANCE OR CLEARANCE IN FOREIGN TRADE

quired a detailed report of the movement and lading of vessels such as is reproduced in Form 34.

Having fulfilled all the legal requirements mentioned above, the customs authorities authorize the clearance of the sea-going cargo vessel by issuing an official *"Clearance of Vessel to a Foreign Port"* (see Form 35).

DOCUMENTS REQUIRED ON ENTERING A VESSEL IN FOREIGN TRADE

When a vessel arrives within four leagues of the coast or within the limits of a customs district in which cargo is to be discharged, the master is required to produce the original ship's

manifest for the inspection of the customs official who first boards the vessel and to deliver to him a copy of the manifest for each port at which cargo is to be discharged. After examining the

BUNKER FORM B-7

WAR TRADE BOARD
BUREAU OF TRANSPORTATION
WASHINGTON, D. C.

Serial No......

AFFIDAVIT AND AGREEMENT OF MASTER OF VESSEL GOVERNING DISPOSITION OF CARGO

("Espionage Act" of June 15, 1917, and the "Trading with the Enemy Act" of October 6, 1917.)

OFFICE OF COLLECTOR OF CUSTOMS,

Port of .....New York.....

.....July 20th....., *1919*

I, ...R.O.Jones....., do solemnly declare that I am the master (person in charge) of the ....British s/s War Spaniel....., and that I have not received on board said vessel and that I do not have under my care or within my control, and that I will not receive on board said vessel, any cargo or part thereof, shipped, or to be delivered, in violation of any of the provisions of the Trading with the Enemy Act, approved October 6, 1917.

I further declare that no part of the cargo on said vessel is to be, or will be, delivered to other vessels in port or is to be, or will be, transshipped on the high seas, except, or otherwise than, as follows:

KIND OF ARTICLE.	QUANTITY	VALUE.	Name and Address of the Person, Corporation, Vessel, or Government to Whom the Delivery or Transshipment is to be Made.[1]

[1] If the cargo or any part thereof is to be delivered to other vessels in port or transshipped on the high seas, state full particulars as indicated.

And I do hereby agree, in consideration of the clearance this day granted me for said vessel, that I will, upon reaching each port of destination of the cargo carried by the vessel, (*a*) deliver to the American Consular Officer of the District in which the same is unladen a true and complete copy of the manifest of that part of the cargo to be discharged at that port, a copy of the Shipper's Export Declaration (T. D. Customs Cat. 7525), and also a copy of this Affidavit and Agreement of Master Governing Disposition of Cargo (Bunker Form B-7); and (*b*) deposit with said American Consular Officer the master's copy of Bunker and Stores License (Bunker Form B-1-c). The documents, B-7 and B-1-c, will be returned to the master upon clearance.

I also agree that all bunker fuel, port, sea, and ship's stores and supplies on board said vessel are for the sole use of the vessel and that no portion of the bunker fuel or stores will be transferred to any other vessel or landed at any foreign port.

I further agree that the American Consular Officer at each port at which said vessel discharges cargo may take any reasonable and proper steps to satisfy himself that all promises and agreements made by the owners, agents, and officers of said vessel to the United States Government have been fulfilled; I also agree to keep the said American Consular Officer informed concerning the loading and discharging of any cargo, bunker fuel, and ship's stores and supplies on or from said vessel.

.....
Master (Person in Charge).

Subscribed and sworn to before me this .....22..... day of .....July....., 19.19.

WTB 147
22

.....
Collector of Customs.

FORM 32.—AFFIDAVIT AND AGREEMENT GOVERNING DISPOSITION OF CARGO

original and comparing it with the copies, such official certifies on the original as to its production and on the copies as to their agreement with the original, and transmits a copy to each col-

FORM 33.—APPLICATION AND LICENSE FOR BUNKER FUEL, STORES AND SUPPLIES

UNITED STATES OF AMERICA

WAR TRADE BOARD
BUREAU OF TRANSPORTATION
WASHINGTON, D. C.

BUNKER FORM B 1-c
Superseding Bunker Forms B 1-a and B 1-b

Serial No......

COMBINED APPLICATION AND LICENSE FOR BUNKER FUEL, PORT, SEA AND SHIP'S STORES AND SUPPLIES.

This form, in quadruplicate, duly executed by the owners or time charterers of the vessel, or by his or their duly authorized representative, should be presented to the Agent of the Bureau of Transportation, War Trade Board (or, if there is no agent, to the Collector of Customs), at the first port from which vessel is to clear. If approved and countersigned by said Agent or Collector of Customs it will constitute a "[Time] License." [The license must be visèd on back hereof at all subsequent ports of the United States and its possessions or outward voyage at which the vessel calls after departure from the first-named port.]

New York, Date *July 20.*

(Port at which license is applied for.)

Vessel's name *War Spaniel.* Flag *British.* When built *1900.* Tonnage, gross *9879;* net *6564.*
Total D. W. carrying capacity (cargo, bunkers, and stores, summer freeboard).....
Type of vessel *Steam Passenger.* Number of Officers *24.* Crew *54.*
(State whether sail, steam, or motor vessel, freight or passenger.)
Average daily consumption of coal (or oil) at sea.....In port.....
Average speed *14* knots per hour, when loaded to full draft.
Owner's name, nationality, and address *War Spaniel Co.*
Charterer's name, nationality, and address.....
Date of charter party..... If time charter, date of expiration.....
If on time charter, trading limits.....
.....
[State ports of call on voyage just completed, also specify nature of cargo, if any, on such return voyage.]
Trading world wide except to Germany and Soviet Russia, unless permit therefor is issued by U. S. War Trade Board or by Interallied Trade Committee at [last port outside of United States from which vessel cleared for United States]
[State cargo and complete voyage for which this application for bunkers and stores is made]
Copenhagen, The Hague, Christiania or Stockholm or by the Allied Blockade Committee at London.
[State approximate date of arrival back at United States port].....

Application for License is hereby made for such Bunker Fuel, Port, Sea and Ship's Stores and Supplies as may be desired by the above-mentioned vessel at this or any subsequent port of call in the United States, or its possessions, to which vessel may proceed [on the present voyage] during the life of license, and is subject to the conditions named on the back hereof, which have been read by the undersigned and are hereby subscribed to

(Signature of applicant).....

(State whether owner, time charterer, agent, or master. If other than owner or time charterer, applicant must have proper authority to act in his stead.)

LICENSE IS HEREBY GRANTED valid until revoked for Bunker Fuel, Port, Sea and Ship's Stores and Supplies as applied for above, [provided any change in voyage outlined, is noted on back hereof and countersigned by the Agent of the Bureau of Transportation, War Trade Board, or Collector of Customs, as the case may be, at the port where such change is desired to be made.]

WAR TRADE BOARD,
VANCE C. MCCORMICK, *Chairman.*
BUREAU OF TRANSPORTATION,
C. EARL BROWN, *Director.*

[SEAL OF AGENT OR COLLECTOR.]

By.....
Agent or Collector of Customs.

THIS LICENSE IS REVOCABLE.

The four copies of this form are to be distributed as follows:
One copy is to be mailed by Agent or Collector to the Bureau of Transportation, War Trade Board, Washington, on the same day received.
One copy is to be retained by the issuing Agent or Collector.
One copy, when approved and countersigned by the Agent or Collector, is to be handed to the master, and must be retained by him and presented to the Agent or Collector of Customs for visé at all ports of call in the United States and its possessions on outward voyage, and also shown to American Consuls at all foreign ports of call en route.
One copy, when approved and countersigned by Agent or Collector, is to be forwarded by him to the Bureau of Transportation, War Trade Board, Washington, accompanied by any other forms issued in connection therewith, as soon as possible.
WTB 315

VISAS OF AGENTS OF THE BUREAU OF TRANSPORTATION OR COLLECTORS OF CUSTOMS AT SUBSEQUENT PORTS OF CALL IN THE UNITED STATES AND POSSESSIONS, ON OUTWARD VOYAGE.

DATE..... Second Port of Call.....

Voyage { Not changed. / Changed as follows:

.....

WAR TRADE BOARD,
VANCE C. MCCORMICK, *Chairman.*
BUREAU OF TRANSPORTATION,
C. EARL BROWN, *Director.*

.....

[SEAL OF AGENT OR COLLECTOR.]

By.....
Agent or Collector of Customs.

FORM 33.—APPLICATION AND LICENSE FOR BUNKER FUEL, STORES AND SUPPLIES (*Continued*)

CONDITIONS.

It is agreed and understood that this license is issued subject to the following conditions:

(*a*) That the voyage will be carried out as stated.

(*b*) That the bunker fuel, port, sea and ship's stores and supplies herein applied for are for the sole use of the vessel named in this application, and that no portion of the bunker fuel or stores will be landed in any foreign port or transferred to any other vessel, unless in accordance with special permission received from the Bureau of Transportation, War Trade Board, direct, or through the local American Consul. Consuls, however, are not at liberty to give such approval unless they have received authority therefor from the War Trade Board, Bureau of Transportation, Washington.

(*c*) That two copies of the Master's Report on Voyage (Bunker Form B-3) shall be filled out by the Master, and shall be presented by him to the Agents of the Bureau of Transportation or Collectors of Customs at subsequent ports of call in the United States and possessions, and to the American Consular Officer, or if there is none, to the local Customs Officer, for visé at each and every foreign port of call on the voyage, and upon the Master's return to the United States shall be delivered at the first port of entry to the Agent of the War Trade Board, Bureau of Transportation, or, if there is no Agent at the port, to the Collector of Customs. If the vessel is not to return to the United States, the two copies of the Master's Report shall be delivered by the Master at the end of the outward voyage to the American Consul or to the Collector of Customs at the port herein designated as the end of the voyage for which this license is issued.

(*d*) That the Master of the vessel, upon reaching each port of destination of the cargo carried by the vessel, (*a*) will deliver to the American Consular Officer of the district in which the same is unladen, a true and complete copy of the manifest of that part of the cargo to be discharged at that port, a copy of the Shipper's Export Declaration (T. D. Customs Cat. 7525); and also a copy of the Affidavit and Agreement of Master Governing Disposition of Cargo, Bunker Fuel and Ship's Stores (Bunker Form B-7); and (*b*) will deposit with said American Consular Officer the Master's copy of Bunker and Stores license, Bunker Form B 1-c. The documents B-7, and B 1-c will be returned to the Master upon clearance.

(*e*) That the cargo has been, or will be, loaded in conformity with any Rulings of the War Trade Board respecting Ocean Shipping Preference.

(*f*) The acceptance by the vessel of this License constitutes a guarantee by the vessel (her owners, agents, and master) that all cargo for discharge at a foreign port will be delivered—

(1) Only to the actual consignee named in the manifest and agreed to when export license was granted: or,

(2) If for any reason, including refusal to accept, delivery can not be made to one or more of the actual consignees named in the manifest of the commodities therein described, such portion of the cargo so consigned will not be delivered, transferred, sold, or otherwise disposed of to any person, firm, corporation, or association, without first obtaining the written approval of the War Trade Board or the American Consular Officer having jurisdiction.

NOTE.—In case any material inaccuracies are found in the body of this application, bunker fuel and stores may be refused to the applicant in future.

lection district to which cargo is consigned. Immediately upon landing and before entering at the custom house the vessel's master is required to mail to the Auditor of the Treasury Department a copy of his manifest; and to make oath that he has done so and that the copy mailed is a true copy. Should the manifest be correct thereafter he must likewise mail a copy of the corrected manifest and make affidavit to such mailing.

Upon entering, a final attested copy of the manifest must also be delivered to the collector of the port accompanied by an entry report and an oath as to the correctness of the manifest and report. The *master's oath on entering an American vessel from a foreign port* is reproduced in Form 36; and the *oath on entering a foreign vessel from a foreign port* in Form 37. Both of these forms are usually printed on the back of the official inward foreign manifest. If the vessel has not been boarded by a customs official the master is required within 24 hours after arrival to report the arrival to the collector on a *report of entrance or clearance of vessels in foreign trade* such as is reproduced in Form 31 in connection with clearance documents. The vessel

U. S. SHIPPING BOARD
DIVISION OF PLANNING
AND STATISTICS.
Form No. 2.
Oct. 15, 1918

UNITED STATES CUSTOMS SERVICE

Date of Clearance .....

REPORT OF MOVEMENT AND LADING OF Port of Clearance .....

VESSELS CLEARING FOREIGN.

This report is to be filled out in duplicate for every vessel of 100 net tons or over upon clearing, and delivered to Customs Collector who will mail the original to the U. S. Shipping Board and file the duplicate

Name of Vessel ..... Flag ..... Rig ..... (See Note at Foot of Page)

Port of final destination ..... Port ..... Country ..... Estimated Date of Arrival

Port of Call or Route .....

Gross tonnage .....

Net tonnage .....

Total deadweight .....
(Includes Cargo, Permanent Bunkers, Coal, Stores, and Water on Vessel, Summer Free Board)

Bunkers leaving ..... tons

Water (boiler) ..... tons

Stores (incl. fresh water) ..... tons

Time spent in Port of Clearance ..... Days

Time in days for each activity in Port of Clearance.

Unloading	Awaiting Convoy .....
Loading	Delayed by Labor Shortage .....
Coaling	Awaiting Orders .....
Repairs	Awaiting Charter .....
Idle	Awaiting License .....
Awaiting Berth	Awaiting Crew .....
Awaiting Cargo	Others (Specify) .....

Deadweight for Cargo .....

Cargo capacity in cubic feet { Grain ..... Bale .....

Total cargo on board ..... long tons

Total cargo on board ..... cubic feet

DESCRIPTION OF CARGO

Principal commodities are to be listed. If in ballast give kind

Commodity	Long Tons	Cubic Feet	Port of Lading	Port of Destination	Date Due at Port of Destination

Operating Company or Owner ..... Address .....

Reported by ..... (Agent or Responsible Officer) Address .....

Note.—In specifying "Rig" insert in the space provided the appropriate term given below:

1. Steamer, Passenger and Freight
2. Steamer, Freight
3. Steamer, Tanker
4. Steamer, Collier
5. Steamer, Refrigerator
6. Auxiliary Sailing
7. Sailing, including all types
8. Tugs and Barges
9. Motor
10. Tank Barges
11. Other (Specify)

Form 34.—Report of Movement and Lading of Vessels Clearing Foreign

N. Y. Cat. No. 2088

The United States of America

DEPARTMENT OF COMMERCE — BUREAU OF NAVIGATION

CLEARANCE OF VESSEL TO A FOREIGN PORT

(Section 4201, Revised Statutes)

DISTRICT OF NEW YORK

PORT OF NEW YORK

These are to certify all whom it doth concern:

THAT R.O.Jones

Master or Commander of the British s/s War Spaniel

burden 6465 *Tons, or thereabouts, mounted with*

Guns, navigated with 78 *Men,*

Foreign *built and bound for* Liverpool, England

having on board

MERCHANDISE AND STORES,

hath here entered and cleared his said vessel, according to law.

GIVEN under our hands and seals, at the Custom-House of the Port of New York, this 22

day of July, *one thousand nine hundred and* Nineteen

and in the 144th *year of the Independence of the United States of America.*

Deputy Naval Officer. — *Deputy Collector.*

11—1284

FORM 35.—CLEARANCE OF VESSEL TO A FOREIGN PORT

TREASURY DEPARTMENT.
Customs Cat. No. 2334.
C. D. Aug 9-13.

Crew, 75

MASTER'S OATH ON ENTERING AMERICAN VESSEL FROM A FOREIGN PORT

United States Customs Service

COLLECTION DISTRICT No. 10

PORT OF NEW YORK

I, John Brown, do solemnly, sincerely, and truly swear that the Report and Manifest subscribed in my name, and now delivered by me to the Collector of the Port of New York, contains, to the best of my knowledge and belief, a just and true account of all the goods, wares, and merchandise, including packages of every kind and nature whatsoever, which were on board the American s/s Saxecen at the time of her sailing from the port of Liverpool, England

or which have been laden or taken on board at any time since, and that the packages of the said goods are as particularly described as in the bills of lading, signed for the same by me or with my knowledge; that I am at present, and have been during the voyage, master of the said vessel; ; that no package whatsoever, or any goods, wares, or merchandise have been unladen, landed, taken out, or in any manner whatever removed from on board the said vessel since her departure from the said Port of Liverpool, England except such as are now particularly specified and declared in the abstract or account herewith, and that the clearance and other papers now delivered by me to the Collector are all that I now have, or have had, that any way relate to the cargo of the said vessel. And I do further swear that the several articles specified in the said Manifest as sea-stores for the cabin and vessel are truly such, and were *bona fide* put on board the said vessel for the use of the officers, crew, and passengers thereof, and have none of them been brought, and are not intended by way of merchandise, or for sale, or for any other purpose than above mentioned, and are intended to remain on board for the consumption of the said officers and crew. And I further swear, that if I shall hereafter discover or know of any other or greater quantity of goods, wares, and merchandise, of any nature or kind whatsoever, than are contained in the Report and Manifest, subscribed and now delivered by me, I will immediately, and without delay, make due report thereof to the Collector of the Port of New York. And I do likewise swear that all matters whatsoever, in the said Report and Manifest expressed, are, to the best of my knowledge and belief, just and true.

* I further swear that the Cabin and Crew of the Vessel have not received any Manifest of the Cargo or Lists of the Cargo, and that no Certificate of Importation has been delivered to me for any Manifest of such Cargo.

I do further, as required by law, solemnly swear that I have, to the best of my knowledge and belief, delivered, or caused to be delivered, into the Post Office at or nearest this port, every letter and every bag, parcel, or package of letters that were on board the said vessel during her last voyage, and that I have so delivered, or caused to be delivered, all such letters, bags, parcels, and packages as were in my possession, or under my power or control.

I further swear that the Register of the said vessel, herewith presented, contains the names of all the persons who are now owners thereof except †

and that no foreign subject or citizen hath, to the best of my knowledge and belief, any share, by the way of trust, confidence, or otherwise, in the said vessel.

‡

I further swear that the said vessel sailed from the said port of Liverpool, England on the day of July, 1919

Pier 57 N. R.

Master.

PORT OF NEW YORK.

Sworn before me this 12 day of July, 1919

Deputy Collector.

* This clause to be omitted if the vessel has been boarded by a customs officer.
† Here state changes, if any, that have occurred in the ownership.
‡ Or, if the vessel is owned by an incorporated company (R. S. 4313), say: "Exhibits the true and actual ownership of said vessel, pursuant to the acts of March 3, 1855, and June 11, 1858."

FORM 36.—OATH ON ENTERING AMERICAN VESSEL FROM FOREIGN PORT

may depart, at the option of the master, after making such report and before the expiration of 48 hours.

Along with the manifest the master is also required to present

N. Y. Cat. No. 3062 U. S. BILLS OF HEALTH, ACT FEB. 15, 1893, FILED. HEALTH OFFICER'S CERTF. ACT FEB. 15, 1893 FILED

Nationality, British

Crew, 78

OATH ON ENTERING FOREIGN VESSEL FROM FOREIGN PORT

UNITED STATES NAVIGATION SERVICE

DISTRICT NO. 10, PORT OF NEW YORK

I, R.O.Jones, do solemnly swear, that the Report and Manifest subscribed in my name, and now delivered by me to the Collector at the Port of New York, contain, to the best of my knowledge and belief, a just and true account of all the goods, wares, and merchandise, including packages of every kind and nature whatsoever, which were on board the*

British s/s War Spaniel at the time of her sailing from the Port of†

Liverpool, England

, or which have been laden or taken on board at any time since, and that the packages of the said goods are as particularly described as in the bills of lading, signed for the same by me or with my knowledge; that I am at present, and have been during the voyage, master of the said vessel; that no package whatsoever, or any goods, wares, or merchandise have been unladen, landed, taken out, or in any manner whatsever removed from on board the said vessel since her departure from the said Port, except such as are now particularly specified and declared in the abstract or account herewith, and that the clearance and other papers now delivered by me to the Collector are all that I now have, or have had, that any way relate to the Cargo of the said vessel. And I do further swear that the several articles specified in the said Manifest as sea-stores for the cabin and vessel are truly such, and were *bona fide* put on board the said vessel for the use of the officers, crew, and passengers thereof, and have none of them been brought, and are not intended, by way of merchandise, or for sale, or for any other purpose than above mentioned, and are intended to remain on board for the consumption of the said officers and crew. And I further swear that if I shall hereafter discover or know of any other or greater quantity of goods, wares, and merchandise, of any nature or kind whatsoever, than are contained in the Report and Manifest, subscribed and now delivered by me, I will immediately, and without delay, make due report thereof to the Collector of the District of the City of New York. And I do likewise swear that all matters whatsoever, in the said Report and Manifest expressed, are, to the best of my knowledge and belief, just and true.

I further swear that the said vessel sailed from the said Port of †

Liverpool on the 1 day of July, 1919

Pier 55 N.R.

Port of New York.

Master.

Subscribed to before me, this 12 *day of* July, *1919*

Deputy Collector.

*Insert denomination and name of vessel.

†Insert the name of the place from whence the vessel last sailed.

‡This clause to be omitted if the vessel has been boarded by a customs officer.

FORM 37.—OATH ON ENTERING FOREIGN VESSEL FROM FOREIGN PORT

a *list of sea stores,* including only articles for the use and consumption of the ship's crew, and in case of a passenger ship, of its passengers. Such sea stores as are not needed for immediate

use or consumption may be sealed by the customs boarding officer. Surplus sea stores need to be entered for consumption as imported merchandise, except that under certain conditions they may be transferred, under supervision of customs officers, from one vessel to another vessel of the same owner.

If the arriving vessel carries passengers the master is required to produce the sworn *list or manifest of passengers* reproduced in Form 38. This passenger manifest indicates the names of all passengers taken on board in any foreign country, their sex, whether married or single, whether citizens of the United States or aliens, the number of pieces of baggage, the age of children eight years of age or under, and in case of steerage or third class passengers the location of the compartment or space oc-

LIST OF PASSENGERS

(UNDER "THE PASSENGER ACT, 1882," AND ACT FEB. 9, 1905.)

I, R.O.Jones, Master of the British s/s War Spaniel, do solemnly, sincerely and truly swear that the following List or Manifest, subscribed by me, and now delivered by me to the Collector of Customs of the Port of New York, is a full and perfect list of all the passengers taken on board the said vessel at Liverpool, from which port said vessel has now arrived; and that on said list is truly designated the name of each passenger, age (if a child of eight years or under), sex, married or single, location of compartment or space occupied during the voyage (if the passenger be other than a cabin passenger), whether a citizen of the United States, number of pieces of baggage, and the name, age, and cause of death of each deceased passenger, as required by the "Passenger Act of 1882," as amended by the Act of February 9, 1905. So help me God

Sworn to this 12th day of July 1919 before me.

Deputy Collector.

Master

List or Manifest of all passengers taken on board the British s/s War Spaniel whereof R.O.Jones is Master, from Liverpool burden 6,465 net tons.

No.	NAMES	Age of Child at 8 years or under. Years	Mths.	SEX	MARRIED OR SINGLE	* If passenger, other than cabin passenger, location of compartment or space occupied (Specify whether in-board, midship or aft.)	WHETHER CITIZEN OF THE UNITED STATES	No. of Pieces of Baggage	DATE, AGE AND CAUSE OF DEATH
	Mary Smith	2	6	Female	Single	Forward	No		
	John Smith			Male	Married	"	No	1	

FORM 38.—LIST OF PASSENGERS

cupied by each. In case of deaths it also specifies the date, age and cause. The passenger list is submitted for the inspection of the customs officer who first requests its production and a correct list is subsequently delivered to the customs collector.

The master or agent of a vessel entering port must also make out the *radio declaration* shown in Form 39; and the Division of Planning and Statistics of the Shipping Board requires a *report*

Form 753a

RADIO DECLARATION

(To be submitted in duplicate)

PIER 56 N. R.

DEPARTMENT OF COMMERCE
BUREAU OF NAVIGATION
RADIO SERVICE

NOTICE.—"The radio equipment must be in charge of two or more persons skilled in the use of such apparatus, one or the other of whom shall be on duty at all times while the vessel is being navigated. Such equipment, operators, the regulation of their watches, and the transmission and receipt of messages, except as may be regulated by law or international agreement, shall be under the control of the master, in the case of a vessel of the United States; and every willful failure on the part of the master to enforce at sea the provisions of this paragraph as to equipment, operators, and watches shall subject him to a penalty of one hundred dollars."—*Act of July 23, 1912.*

PORT OF NEW YORK

DATE July 12, 1919

This is to certify that the British (Nationality.)

S. S. War Spaniel

of the Spaniel Steamship Co. (Name of company or line.),

of which I am master, entered this port on July 12, 1919,

having in crew 78 (Number.) persons and licensed or certificated to

carry 350 (Number.) passengers; that the said vessel {is / ~~is not~~}*

equipped with radio apparatus as required by the Act of June 24, 1910, as amended July 23, 1912; that the radio station is in charge

of 2 (Number.) properly licensed radio operators and the apparatus is

in {efficient / ~~inefficient~~}† condition.

Master or Agent.

This form should be filed in duplicate with the Collector of Customs at time of entry, who will furnish one copy to the radio inspector of the district on the date of entry in order that proper inspection may be made of the radio apparatus prior to the clearance of the vessel.

* Strike out *is* or *is not* as the case may be.
† Strike out *efficient* or *inefficient* as the case may be.

11—5084

FORM 39.—RADIO DECLARATION WHEN ENTERING

on the movement and lading of vessels entering foreign similar to that reproduced in Form 34.

Before entry is made the master of an American vessel is

TREASURY DEPARTMENT.
Customs Cat. No. 6156.
T. D. 31063
C. D. Feb 11-8

PRESENT IN DUPLICATE.

No.

APPLICATION AND PERMIT TO LADE OR UNLADE CARGO OF VESSEL, UNDER ACT OF FEBRUARY 13, 1911.

placing on lighters under with
Buffalo hides, Gostskins, ports, approval
Glue stock, the upon lists
Austria
UNITED STATES CUSTOMS SERVICE.

To the COLLECTOR of the PORT of NEW YORK DISTRICT No. 10, PORT OF New York, July 10, 1912

Sir: Both of a manifest and a permit as is required by the provisions of the Act of February 13, 1911, application is hereby made for the lading permit, by day or night, during other than official hours under the said act, of the cargo of the British S/S. War Spaniel

Calf skins, and Box of A Spaniel Steamship Line, at or upon Pier 55 N.R. (Pier, end of pier or slip, lighter, etc.) arrived or expected to arrive from Liverpool, England on July 12, 1912, immediately after her arrival at the place named and right after regular entry at the Customhouse.

It is hereby agreed that all cargo discharged under this application shall remain upon the wharf or other place of unlading until released by a permit therefor or removed in conformity with the terms of the regular general-order permit, to be issued after the entry of the vessel at the Customhouse, and that the said vessel and its owner shall be held liable for all duties which may be found to be due the Government on account of any portion of the cargo lost or stolen from the wharf after its discharge from the vessel and before the delivery of the general-order permit; and, furthermore, that the liability to the owners of any portion of the cargo and responsibility for its care shall not be impaired nor affected by any proceedings under this application. Special application is made to lade or unlade during other than official hours on Sunday night, July 13, 1912 (Sunday, holiday, night.)

Employees required Inspectors (State if known—inspectors, weighers, gangers, samplers, laborers.)

Bond for $ dated 19

Amount of deposit $

Verified by (Cashier, Bond Clerk.)

War Spaniel Company
Master, Agent, or Owner

Address New York

PERMIT. [No Fee.]

To the SURVEYOR OR APPRAISER.

Application approved and license granted. This permission will not become available, however, until after the manifest of said vessel shall have been delivered to the boarding officer, and no part of such cargo shall be moved from the wharf lighter or other place of unlading before the issuance of a proper permit therefor. You will assign the required number of Inspectors, Weighers, Samplers and other employees and have their services noted below. If no action is taken, note below.

19

Deputy Collector.

Preliminary entry made 19, Boarding Officer.

Station No. STATEMENT OF SERVICES RENDERED. [Reverse side.]

We, the undersigned, certify that the statement of services rendered noted opposite our respective names is correct and true.

Date.	Time Employed.	Rate of Pay.	Amount Earned.		Signatures of Officers.	Remarks—Nature of Service, etc.

FORM 40.—PRELIMINARY APPLICATION TO LADE OR UNLADE CARGO

furthermore required to produce to the collector of the port his register and the clearance, bill of health, copies of consular invoices and other documents issued to his vessel at her last port of departure. The register is retained by the collector until he

grants a clearance to the vessel. Foreign vessels are required to produce to the collector their registers and their clearance and other papers issued at the last port of departure, and then, with-

TREASURY DEPARTMENT.
CUSTOMS CIR. No. 1068.
C. D., Mar 26-17.

VESSEL BOND (Term).

(For lading or unlading at night, holidays, etc., to land equipment for repair, etc., to discharge on lighters, or outside of docks, to pay legal charges, penalties, etc., to land cargo in other districts or foreign port, to produce export manifests and declarations.)

KNOW ALL MEN BY THESE PRESENTS, That Spaniel Steamship Company

of New York as principal,

and John Doe of New York

and Henry Smith of New York

as sureties are held and firmly bound unto the UNITED STATES OF AMERICA in the sum of

Fifty Thousand dollars for the payment of which we bind ourselves,

our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WITNESS our hands and seals this 1st day of July, 1919

WHEREAS, certain vessels of the Spaniel Steamship Line

are expected to enter at and clear from the port of New York (Line)

during the period from July 1st, 1919 to the last day of December 31, 1919, 19

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that—

(1) If the said principal shall pay to the Collector of Customs of the said port promptly on demand the sums chargeable under law and regulations in conformity therewith for services performed for said vessels by customs officers, and shall promptly pay any dues, charges, penalties or other sums found legally due the UNITED STATES from any master or owner of said vessels in relation thereto;

(2) And if the said principal shall save the UNITED STATES and the said collector harmless from all losses and liabilities which may occur by reason of the granting of any permit or license to any of said vessels to discharge or take on cargo, equipment, baggage, ballast, fuel, or other articles at night, on Sundays, or holidays, or to land, place or store the same on lighters or on piers, landing places or on spaces adjoining thereto, and if same shall not be removed therefrom until proper permits have been presented;

(3) And if all articles shown on the manifest of any of said vessels, to be destined for other customs districts or ports or for foreign ports, are landed at the destination stated, and proof thereof is furnished the said collector in the form and within the time required by law and regulations, or any lawful extension thereof;

(4) And if complete manifests of all cargo destined for foreign ports or noncontiguous territory of the UNITED STATES, and shippers' export declarations and pro forma declarations are delivered to the said collector in the form and manner and within the time prescribed in Sections 4197 and 4200 of the Revised Statutes of the UNITED STATES, Treasury Decision No. 35969 of December 14, 1915, and other regulations or laws relating thereto;

Then this obligation shall be void; otherwise to remain in full force and effect.

Signed, sealed and delivered in the presence of— [SEAL.]

[SEAL.]

[SEAL.]

1. The names of the parties executing the bond, and their respective places of residence, must appear in full in the body of the bond.
2. Each signature must be made in the presence of two persons, who must sign their names as witnesses.
3. There must be not less than two individual sureties, but one corporate surety duly qualified under the act of Congress of August 13, 1894, as amended by the act of March 2, 1910, may be accepted as sole surety. Married women will not be accepted as sureties.
4. If the bond is given by persons composing a firm or partnership it may be executed by any member of such firm or partnership, in which event it will have the same force and effect as if the other members of the firm or partnership had personally executed the same (act of June 20, 1874, as amended by section 10 of the act of August 28, 1894). The names of all persons composing the firm must appear in the body of the bond, as for example, "A, B, and C, composing the firm of A, B & Co." The corporate seal must be affixed to the bond adjoining the signature, as in the case of a private seal affixed by an individual.
5. All sureties and witnesses must be noted above the signature of the witnesses as having been sworn before execution of the bond.

FORM 41.—VESSEL BOND (term)

in 48 hours after entry, to deposit them with the consular officer of their native country, delivering to the collector a certificate from such consular officer to the effect that the papers have been deposited with him. The consular officer retains these papers

until the master obtains a clearance from the port collector. Receipts of any fees or charges paid to American consular officers abroad are also delivered to the port collector, together with

TREASURY DEPARTMENT
Customs Col. No. 3173

PRESENT IN DUPLICATE
GENERAL PERMIT TO LADE OR UNLADE
United States Customs Service

No.

Collection District No. 10 Port NEW YORK, July 12 1919

To the Collector:

I, the undersigned, the Master (Master) of the British s/s War Spaniel (Flag) (Vessel) arrived from Liverpool on July 12 1919 docked at PIER 55 N. R. having complied with all customs requirements, hereby make application

	NOTATIONS
1. To land baggage and effects of passengers and crew Yes (State yes or no)	
2. To land the following articles of equipment for repair or adjustment and to relade same, viz. AS MAY BE NECESSARY (Ship's chronometer, sails, water-casks, laundry, etc.)	
3. To land containers of American origin whose contents were consumed on board, viz: AS MAY BE NECESSARY (General description)	
4. To discharge ballast which consists of _____ and which I declare to be of no commercial value and not brought as merchandise.	
5. To land the following articles of equipment not to be reladen, viz: _____	
6. To take on board while unlading during the DAY OR NIGHT (Day or night) the following articles, viz: COAL, CARGO, LUMBER & ETC. (Ballast, Cargo, Lumber, Coal)	
7. _____	

(Master, Owner or Agent.)

Address 120 Broadway

To the Surveyor: PERMIT (No Fee)

Declared to before me and application approved and license granted provided there is no risk to the revenue. Inspectors will make their return hereon.

July 12 191 9 _____ Deputy Collector.

INSPECTOR'S RETURN

To the Collector:

All articles enumerated above were discharged, laden or reladen on board in accordance with the terms of the application and permit and proper return made thereon except, viz:

_____

_____

_____ 191 _____ Inspector.

Form 42.—General Permit to Lade or Unlade

written statements covering consular services rendered to the vessel without the payment of fees.

As the cargo of a vessel entering from a foreign port is discharged under supervision of the customs authorities, the agents

or owners prior to the vessel's arrival make application to unload either by day or night or on Sundays and holidays, and for the assignment of inspectors, weighers, gaugers, samplers, etc.

TREASURY DEPARTMENT.
Customs Cat. No. 3189.
Art. 126, C. R. 1915.
C. D., Feb. 13-19.

FILE IN DUPLICATE.

APPLICATION AND PERMIT TO ALLOW UNPERMITTED CARGO TO REMAIN UPON WHARF.

United States Customs Service, NEW YORK

COLLECTION DISTRICT No. 10, PORT OF .....

July 12, 19 19

TO THE COLLECTOR OF CUSTOMS:

Application is hereby made to allow the unladen but not permitted cargo of the ..... (Vessel.)

War Spaniel of the Spaniel Steamship Line, arrived

on July 12, 19 19, to remain on the wharf until 6 P.M. o'clock on

July 15, 19 19

The owners of said vessel hereby agree to indemnify the Collector of Customs for and to save him harmless on account of any and all losses, claims, or risks which may result from the granting of this application, and the liability of said owners under this agreement shall continue until the merchandise is duly removed from the wharf under general order or delivery permit. The rights and liabilities of the owners of said vessel and of the owners or consignees of the cargo, respectively, shall remain unimpaired by the granting of this application.

MARKS.	NUMBERS.	DESCRIPTION OF MERCHANDISE.

War Spaniel Co.

Master, agent or owner of vessel.

[No Fee.]

PERMIT.

TO THE INSPECTOR:

The inspector on board the above-named vessel will allow the unladen but not permitted cargo to remain upon the wharf until 6 P.M. o'clock on July 15, 19 19, and as soon as practicable thereafter he will send cargo then remaining on the wharf and not permitted to the proper General-Order Store.

Deputy Collector.

....., 19....

Received by inspector at ..... o'clock ....., 19....

Inspector.

FORM 43.—APPLICATION AND PERMIT TO ALLOW UNPERMITTED CARGO TO REMAIN UPON WHARF

The permission granted in the preliminary permit or license which is issued by the customs collector or his deputy does not become available until after the cargo manifest has been delivered

to the boarding officer. This application to unload and the preliminary permit are executed on Form 40, which is known as the *application and permit to lade or unlade cargo of vessel, under Act of Feb.* 13, 1911. Before such application is made or permit granted, the owners or agents are required to execute the *vessel bond* reproduced in Form 41.

This is followed, after all customs requirements have been

PIER 55 N. R

TREASURY DEPARTMENT.
Customs Cir. No. 8193.
Art. 802, C. R., 1908.
C. D., Oct. 13-14.

☞ This "General Order" will issue to the Inspector in charge of Vessel. The goods not permitted will be immediately sent to General-Order Warehouse, unless a license has been granted by the Collector allowing them to remain on the wharf a specified time, not to exceed forty-eight hours from the time of their discharge, at the risk of the owner of the vessel.

"GENERAL ORDER" TO SEND UNPERMITTED PACKAGES FROM WHARF TO PUBLIC STORE.

United States Customs Service,

COLLECTION DISTRICT No. 10 PORT OF NEW YORK

Collector's Office, July 12, *191* 9

The Inspector on board the British s/s War Spaniel

Master, from Liverpool, will allow to be landed, and will send to the Public Store, No. 513/27 West 20th St. Street, all packages for which no permit or order shall have been received by him contrary to this direction, except perishable articles, gunpowder and explosive substances, and neat cattle and hides, which he will retain on board, and send notice thereof to this Office.

Collector.

Naval Officer.

☞ Bulky packages of iron, steel, tin, and machinery will be sent to a bonded shed
☞ The usual weighing, gauging, and measuring will be done before sending goods under this order.

Pier 55 North River

FORM 44.—GENERAL ORDER TO SEND UNPERMITTED PACKAGES FROM WHARF TO PUBLIC STORE

complied with, by the *general permit to lade or unlade,* reproduced in Form 42. In this document application is made by the master and permission is granted to land the baggage and effects of passengers, to load and reload articles of equipment requiring repair or adjustment, to load specified articles of equipment not to be reloaded; to load containers of American origin whose contents were consumed on board; to discharge ballast; to take cargo, coal, lumber, etc., on board by day or night while unloading; to retain on board the cargo manifested for certain points,

and to take any other action for which special permission is needed.

Should the owners of the vessel desire to retain unpermitted cargo upon the wharf until a stated hour and date instead of sending it to the proper General Order Store, they are required to make *application to allow unpermitted cargo to remain upon wharf* and to indemnify the collector against any losses, claims or risks resulting from the granting of such application. The vessel owner, agent or master may thereupon receive a *permit to retain cargo upon wharf* for a specified time. This application and permit are executed on the blank reproduced in Form 43. Unpermitted merchandise not covered by such special license or permit to remain on the wharf is sent to the public store named in a so-called *"General Order"* issued to the customs inspectors on board by the port collector, excepting that perishable articles, gunpowder and explosives, neat cattle and hides, are to be retained on board the vessel (see Form 44).

Examined April 13

CHAPTER IX

SHIPPING DOCUMENTS REQUIRED BY THE UNITED STATES GOVERNMENT (*Continued*)

While steamship companies are concerned directly with the ship's papers and the vessel's entrance and clearance documents referred to in the preceding chapter, they are also concerned with the many official documents required of importers and exporters.

Official Documents Required of Exporters

The bill of lading discussed in Chapter VII is a commercial document governing the relations between shippers and ocean carriers, but it is also an official document required by law, its contents is legally prescribed in part, and its production is required at time of entry when merchandise is imported. Several documents are, however, specifically required from exporters by the Government when merchandise is shipped abroad, and the ocean carrier needs to check up the exporter.

The exporter is required to prepare a sworn *export declaration* or shipper's manifest such as is reproduced in Forms 45a and 45b. The exporter makes oath that the merchandise listed in the declaration is a complete account of his entire shipment, that its description, quantity and value are correctly stated, that the consignee named is the actual consignee, and that none of the merchandise is shipped or to be delivered in violation of the provisions of the Trading with the Enemy Act of October 6, 1917. The declaration contains the name and address of the shipper, his signature or that of his authorized agent, the place of original shipment, the port of exportation, the destination, the name of the steamer and carrier, the marks and numbers contained on the package, the number and kind of containers, description and quantity of the merchandise, and its market value at time and place of shipment stated separately for wares of domestic origin, including goods altered or remanufactured in

the United States, and foreign products in the same condition as when they were imported.

Each export declaration is given an official number. In case

Printed and sold by A. L. Russell, Inc., 34 Stone St., N. Y. Form 1178

This space for use of Customs
No. 489765
(Code No. Dist.) (Port.)

(For United States Customs and War Trade Board)

SHIPPER'S EXPORT DECLARATION

OF MERCHANDISE SHIPPED TO FOREIGN COUNTRIES OR NON-CONTIGUOUS TERRITORIES OF THE U. S.

☞ Clearance will not be granted until shipper's declaration has been filed with the Collector of Customs. U. S. Government export statistics are compiled from this declaration and it must be correct.

Goods shipped by GASTON, WILLIAMS & WIGMORE, Inc. (Name of same shipper.)

Address: 39 Broadway (Number.) New York City (Street.) (City.) (State.) New York (Place of original shipment.)

Via _____ (Carrier from interior point, if any.) For shipment on the Globe Line Steamer X (Name of carrier. If vessel, give name, motive power, and flag if known.)

From New York City (U. S. Customs port of exportation.) To ultimate foreign destination Buenos Aires (City.) Argentine (Country.)

Marks and numbers.	Number and kind of packages, e.g., 17 crates, 40 boxes, 40 cases, 75 bags, 90 barrels, etc.	COMMODITY. Describe the articles fully, as canned pork, printed cotton cloth, printing presses, apples, etc. General terms such as metals, dry goods, machinery, fruits, etc., will not be accepted. Read instructions on back.	War Trade Board Code Number	Quantity (net weight only). State in standard export units, as lbs., tons (of 2,240 lbs.), gallons, yards, bushels, barrels, etc.	Value at time and place of shipment. U. S. Products, including foreign goods altered or remanufactured in the United States.	Value at time and place of shipment. Foreign Products in same condition as imported.
					Collars Only	
Buenos Aires						
V R C						
S 100/575	1 bale	cloth		40	300.	
V R C						
S 1083/14	2 c/s	eyelets		260	50.	
V R C						
V 1/3	3 c/s	bag frames		390	100.	

Waybill or manifest No. _____ 191 | I Certify that above-described goods were shipped as stated herein except as otherwise noted. _____ 191 _____ Inspector of Customs.

I, the undersigned, solemnly and truly declare that the above statement is a complete, just and true account of all merchandise shipped by the party named; on board the vessel, car, or vehicle; and to the place or country named above; and that the description and quantity of each article is truly stated and that the values thereof are the actual costs or true market values at the time and place of shipments for exportation; I further declare that none of the merchandise described above is to be laden on any other vessel in port than that named above or transshipped on the high seas except as fully stated above; I further declare that none of said merchandise is shipped or to be delivered in violation of any of the provisions of the "Trading with the Enemy" act, approved October 6, 1917; that VIVIEN BORIET & CO. of Buenos Aires is actual consignee of said merchandise, and that if shipment is made to a bank or other broker, factor, or agent, that Same as above (Name.) (Address.) is the actual consignee on whose account the shipment is made.

Sworn and subscribed to before me SEP 23 1918 on _____, 191

(Signature) GASTON, WILLIAMS & WIGMORE, Inc. Authorized agent

(Capacity) F. Darnell (Member of firm, secretary, agent, etc.)

(Address) 39 Broadway N Y City

(Deputy collector, notary public, etc.)

FORM 45A.—SHIPPER'S EXPORT DECLARATION

of shipments to foreign countries it must at present be prepared in quadruplicate, except for shipments in transit through the United States from one country to another; and in case of shipments to non-contiguous territory it is prepared in duplicate.

INSTRUCTIONS.

Read carefully to avoid delay at shipping point.

This form must be prepared in quadruplicate for all merchandise shipped to a foreign destination, except shipments in transit through the United States from one foreign country to another, and in duplicate for merchandise shipped between the United States and its noncontiguous territory. When merchandise is shipped foreign, four copies of this form must be presented to the collector of customs for each consignment. The collector will retain the original and one copy and deliver the other two copies to the shipper. The shipper will present one copy to the steamship company and deliver the other copy with the goods to the inspector of customs on the dock, without which no goods will be received. The copy delivered to the steamship company must accompany the goods on their voyage and be delivered by the master to the American Consular officer with the manifest at the port of discharge. The copy delivered to the inspector of customs upon which he will make his notifications of short shipment, etc., must be delivered to the vessel to be attached to the manifest delivered to the collector upon clearance.

Export license number and date of expiration must appear immediately above goods shipped thereunder.

The War Trade Board code number of the article given on the export license must be inserted after each commodity in the column following the description on the face of this form

If goods are to be delivered to other vessels in port or transshipped on the high seas, the articles, quantities, and values, and name and address of persons, corporation, vessel, Government, etc., to whom transferred or delivered, must be stated on this form.

1. Shipments from interior points for exportation.—If shipped on a through bill of lading, the shipper must prepare the original export declaration in quadruplicate for foreign shipments and in duplicate for shipments between the United States and its noncontiguous territories and deliver forms to the carrier to accompany the shipping papers to the port of exportation. If shipped on a local bill of lading, the declarations may be attached thereto or mailed separately to the consignee at the seaboard.

(a) If the shipper prefers, he may place the original declaration, but not the carrier's extract, in a sealed envelope addressed to the Collector of Customs with his name indorsed thereon and the fact of sealing noted on the declaration and deliver it with the extract to the carrier. If goods are consigned to an agent at the seaboard for transshipment and exportation the shipper may mail the declaration and extract properly prepared direct to the agent.

(b) Upon arrival of the goods at the port of exportation, the carrier must immediately deliver the original declarations, sealed and unsealed, and the carrier's extracts to the Collector of Customs who will retain the original and certify the extract and return it to the carrier, vessel, or party named to attend to exportation.

2. Exporting vessel or carrier.—Care should be exercised in receiving goods destined for foreign countries or noncontiguous territories not accompanied by certified extracts or original declarations, as clearance will not be granted until the export declarations have been filed with the Collector. The copy must be attached to the vessel's manifest or car manifest or copy of waybill when presented for clearance.

3. Before a clearance shall be granted for any vessel bound to a foreign port, the owners, shippers, or consignors of the cargo of such vessel shall deliver to the Collector manifests (or declarations) of the cargo or the parts thereof shipped by them respectively, and shall verify the same by oath. Such manifest (or declarations) shall specify the kinds, quantities, and values of the articles and the foreign port or country of destination. (See sec. 4200, Rev. Stats., U. S.)

If any vessel bound to a foreign port departs on her voyage without delivering manifest and obtaining clearance, the master or other person in charge shall be liable to a penalty of $500 for every such offense. (See sec. 4197, Rev. Stats., U. S.)

Similar provisions apply to exportations by rail, vehicle, or ferry. (See sec. 1, act March 3, 1893.)

4. The shipper must prepare this export declaration and sign the four copies and the oath be taken on the original before a customs officer, notary or other authorized officer. The declaration must be signed by the shipper, but the oath may be omitted on shipments to Canada or Mexico by car, vehicle, or ferry. If the declaration is executed by an agent for the shipper the authority must be in writing on this declaration or other document filed with the Collector. The values and names of shippers may be omitted from the copies to be delivered to transportation company, but must always appear on the original and the copy for use of War Trade Board. The original is for the use of customs officers and will be treated as confidential and information not disclosed without written authority of the shipper or his agent. Export statistics are compiled from these declarations and all data required on the prescribed form must be furnished.

5. Domestic articles exported.—The value of all articles grown, produced, or manufactured in whole or part in the United States must be stated in the column of "U. S. Products."

6. Foreign articles exported.—The value of articles of foreign origin shipped out of the United States in the same condition as imported must be stated in the column of "Foreign Products." If foreign articles are subjected to any process of manufacture or alteration in the United States they become United States products and must be reported as such. Thus: Imported raw sugar refined in the United States should be reported as a domestic product.

7. The value of articles to be stated in the selling price or the true market value at the time and place of shipment for exportation.

8. Description of articles exported must be accurate and complete. General terms such as dry goods, groceries, meats, machinery, millinery, etc., will not be accepted. In the case of cheese the declaration must state whether filled or unfilled, oleomargarine whether colored or uncolored, butter whether pure, adulterated, or renovated

9. The kind of packages as boxes, barrels, etc., and the net weight exclusive of outer coverings, must be specified.

* 10. The total quantity of each article expressed in the usual measure of pounds, tons of 2,240 pounds, yards, gallons, etc., must be stated. Domestic spirits exported must be stated in gallons of 50 per cent alcoholic strength.

11. The country of final destination of goods—that is, the country to which goods are sold—must be shown. Special care should be exercised to state the final destination of goods shipped through Canada to Europe, and of goods to be transshipped in the United Kingdom, the Netherlands, Germany, and France en route to other countries.

12. Inspection certificates.—Process butter or butter adulterated or renovated must be accompanied by certificates of purity issued by the United States inspector of dairy products. Certificate of inspection must be presented to the Collector for meat and meat food products exported when required by the regulations of the Department of Agriculture.

13. Export schedule B may be obtained free of charge from the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D. C., and will be of much assistance to exporters.

To the Collector: I hereby authorize.....

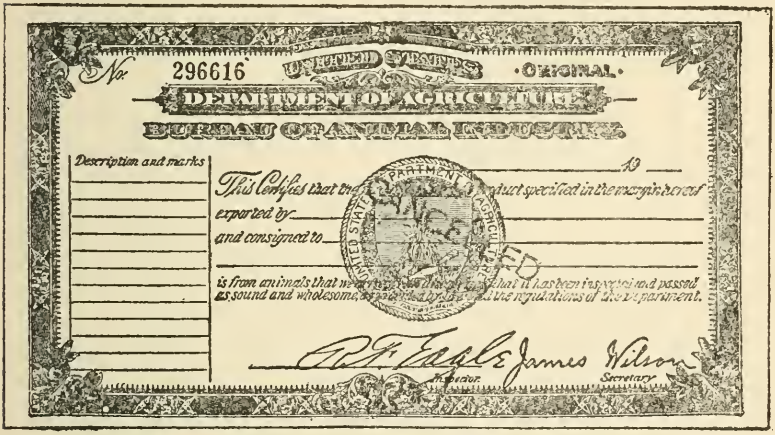
address..... to act as my agent for customs purposes in the exportation of the within-described goods. Please deliver the certified duplicate accordingly.

.....

Shipper.

FORM 45B.—BACK OF SHIPPER'S EXPORT DECLARATION

The original and one copy of the declaration covering a foreign shipment are retained by the port collector, a third copy is presented to the ocean carrier by the shipper, and the fourth copy is delivered by the shipper with his merchandise to the United States inspector of customs at the dock. The copy delivered to the ocean carrier accompanies the cargo and is delivered at the port of discharge to the American consular officer together with the ship's manifest. The copy presented to the customs inspector at the dock is delivered to the vessel after he has made notations of short shipment, etc., and is then attached to the ship's manifest


No. 296616 UNITED STATES ·ORIGINAL·
DEPARTMENT OF AGRICULTURE
BUREAU OF ANIMAL INDUSTRY
Description and marks
19
This Certifies that the ... product specified in the margin hereof
exported by
and consigned to
is from animals that were ... that it has been inspected and passed as sound and wholesome, as ... the regulations of the department.
R. F. Eagle James Wilson
Inspector Secretary

FORM 46.—EXPORT MEAT INSPECTION CERTIFICATE

which is delivered to the port collector upon clearance. Detailed instructions are contained on the back of the export declaration reproduced in Form 45b.[1]

Special inspection certificates need to be presented with the export declaration in the exportation of certain commodities where required by the Department of Agriculture. The export inspection certificate shown in Form 46, which covers meat or meat food products, certifies that the products shipped have been inspected by an inspector of the Bureau of Animal Industry and passed as sound and wholesome and were derived from animals that were free from disease. Similar forms of certificates are issued for meat or meat food products prepared or packed in preservatives, for unedible meat products, and for live meat

[1] Since writing this paragraph the war requirement of four copies has been abandoned. Two copies are now required as before the war.

animals. Process butter or butter adulterated or renovated must likewise be accompanied by *certificates of purity* issued by a United States inspector of dairy products.

When exports containing imported materials are exported under the drawback privilege which allows the exporter 99 per cent. of the import duty paid on such materials, an application must be addressed to the Secretary of the Treasury for a drawback authorization, the drawback agents of the customs service must be advised of the shipment at least one day before it leaves the factory or warehouse, and a notice of intent must be filed with the collector at the port of exportation before the wares are loaded on the vessel or before they cross the Canadian or Mexican border. Special records open to Government inspection must also be kept by the manufacturer. The drawback claim must be completed within three years from the time of shipment by filing the necessary drawback inspector's certificate, drawback entry, certificates of manufacture, landing certificates or bonds, bills of lading and other certificates and affidavits required by the customs authorities. The complete customs regulations covering drawbacks may be obtained free of charge from the United States Treasury Department.

During the war, exporters were also required to obtain export licenses. Certain shipments of small value were licensed by the Collector of Customs under limitations prescribed by the War Trade Board, others were covered by special licenses issued by the War Trade Board through the customs service; and still others required individual licenses obtained directly from the War Trade Board upon applications filed with the Board or one of its branch offices. American houses or branches established in neutral territory or in countries associated with the United States in the war were required to obtain an enemy trade license from the War Trade Board before performing contracts involving trade with an enemy or ally of an enemy.

Special war regulations governed the exportation of condensed milk, tin plate and terneplate, manufactures of tin, gold, cotton and silk, of raw cotton, and silk, and also of sugar, wheat and wheat products to Canada. Special procedure was enforced in the case of exports to Norway, Sweden, Holland, Denmark, Switzerland, Great Britain, France, Italy, and Belgium. Since this control of exports by the War Trade Board was due to

a temporary war emergency it is not deemed desirable to describe its licensing system and regulations in greater detail. During the war, however, the Freight Traffic Departments of many steamship companies had special license number clerks to check the licenses covering cargoes. License numbers were specifically indicated in each bill of lading.

Official Documents Required of Importers

The United States Government requires the importer to present the bill of lading covering imported cargo, thereby conferring upon this shipping document still another legal function in addition to those mentioned previously. A special document known as a *consular invoice* is also required in the entry of imported merchandise at the custom house. The foreign exporter is expected to prepare an official invoice containing a complete list of the items shipped to the United States; how they are packed, how the packages are marked, their quantity and price per unit, the total amount paid or to be paid, all discounts and rebates, charges for brokerage commissions, insurance, inland freight, and packing, and the cost or value of containers, twine, and paper. The consular invoice just described is the so-called purchase or blue form (see Form 47a) to distinguish it from the consigned or white form which is used when imports are shipped to a foreign manufacturer's American branch house, agent or representative (see Form 48a). Since the imported wares in this case have not been sold, the consigned invoice shows the price at which they are freely offered for sale in foreign wholesale markets and the price which the foreign exporter would have received or was willing to accept had he sold them instead of consigning them to the United States to be sold here.

United States consular invoices are usually issued in triplicate, and when covering merchandise destined to interior points in quadruplicate. They are presented to the United States Consular Officer in the consular district in which the commodities were produced, purchased, contracted to be delivered from, or assembled for shipment, for his certification; and in case no United States consular officer is available they are certified by other individuals authorized in the United States Consular Regulations. Should the consular officer be of the opinion that the prices or value stated in the consular invoice are incorrect he

Specimen INVOICE.

Singapore, July 28th, 1914
(Place and date.)

Invoice of Smoked Sheet Rubber *purchased*
by John Doe & Company, *of* New York
from Richard Roe & Company, *of* Singapore
to be shipped per s/s INDRA to New York

Marks, Numbers, and Quantities.	Full Description of Goods.	Price per Unit.	Total Amount.		Consular Corrections or Remarks.
RRC NY					
	416 Cases Smoked Sheet				
1 to 416	Plantation Rubber				
	containing 462 picula				
	at (FOB Singapore)	S$1.10	$50820	.00	
	Less Charges included in the above price:				
	Coolie Labor	S$ 714.00			
	Boat Hire	92.40	806	.60	
			$50013	.60	
	Add Charges not included in the above price:				
	Packing		272	.20	
	Stamps & Petties		66	.49	
	Telegrams		199	.46	
	Consular Invoice		4	.50	
	Marine Insurance		168	.00	
		Straits	$50729	.25	
	N. B.—Always state the cost of packing, and all other costs, charges, and expenses.				

The above invoice is correct and true.
(*Signature of purchaser or seller*) Richard Roe & Company
by J. H. Brown
Partner

47

FORM 47A.—UNITED STATES CONSULAR INVOICE (purchased form)

CUSTOM-HOUSE INDORSEMENT.*

No. _____

Importer, _____

Vessel, _____

From _____

Arrived _____

KIND OF ENTRY:

MARKS, QUANTITY, AND CONTENTS.

*Consular officers will leave all of above indorsement blank. It is to be filled in only at the custom-house at the port of entry.

PURCHASED BY IMPORTER.

Invoice No. _____ *issued in* { TRIPLICATE. QUADRUPLICATE.

Certified _____ (Date.)

AMERICAN CONSULAR SERVICE

AT

Singapore, S.S.

Date, July 28th, 1914

Seller, Richard Roe & Co.

Singapore

Purchaser, John Doe & Co.

New York

Name of vessel or railroad _____

S/S INDRA

Port of shipment, Singapore

Port of arrival, New York

Port of entry, New York

Amount of invoice, $50,720.25

Kind of goods, _____

Plantation Rubber

FORM No. 133.

Declaration of Purchaser or Seller or Duly Authorized Agent of Either.

~~I, We,~~ Richard Roe & Company

of Singapore *do solemnly and truly declare that* ~~I am~~ we are the sellers (Purchaser or seller.) *of the merchandise in the within invoice mentioned and described; that the said invoice is in all respects correct and true, and was made at the place named therein whence the said merchandise is to be exported to the United States of America; that said invoice contains a true and full statement of the time when, the place where, and the person from whom the same was purchased, or agreed to be purchased, and the actual cost thereof, price actually paid or to be paid therefor; and all charges thereon; that no discounts or commissions are contained in said invoice but such as have been actually allowed thereon; that all drawbacks or bounties received or to be received are shown therein; that no different invoice of the merchandise has been or will be furnished to anyone, and that the currency in which the invoice is made out is that which was actually paid or to be paid for the said merchandise.*

I further declare _____

I/We further declare that it is intended to make entry of said merchandise at the port of New York *in the United States of America.*

Dated at Singapore, S.S. *this* 28th *day of* July, 1914 (Date.)

Richard Roe & Company

by R. H. Brown

Partner

FORM No. 143.

CONSULAR CERTIFICATE.

(Date) _____

I do hereby certify that the invoice described in the indorsement hereof was this day produced to me by the signer of the annexed declaration.

I do further certify that I am satisfied the making the declaration hereto annexed is the person he/she/it is, and that the prices given in the invoice with the actual market value or wholesale price of the goods described in the said invoice in the principal markets of the country at the time of exportation, excepting as upon said invoice, or respecting which I shall be in communication to the proper authorities.

I further certify _____

To be filled in by American officer

that a fee of $2.50 United States gold, equal to _____ (Local money.) *has been paid by affixing stamps to the duplicate copy of this document.*

Witness my hand and seal of office the day and year aforesaid.

_____

_____ *of the United States of America.*

FORM 47B.—(BACK OF FORM 47A)

states what he regards the correct value to be under the heading "consular notations." The invoices are required to be stamped and the stamps to be canceled by consular officers to

Specimen INVOICE.

Kuala Lumpur, Fed. Malay States, July 6, 1914

Invoice of Plantation Rubber *consigned*

by The Malaysia Rubber Company, *of* Kuala Lumpur

to Richard Röe & Company, *of* Philadelphia

to be shipped per s/s INDRA to New York

Marks, Numbers, and Quantities.	Full Description of Goods. (N. B.—Always state the cost of packing, and all other costs, charges, and expenses.)	Market Value per Unit.	Total Market Value.	Consular Corrections or Remarks.
RRC NY				
15-28	14 Cases First Quality			
	Para Crepe Rubber			
	2240 lb. NET per lb.	2/5½	£273:0:0	
	FOB Singapore			
	Charges included in the above price:			
	Lighterage & Loading		£ 84:0:0	
	Freight to Singapore		6:0:5	
	Consular Invoice		$14.50	
	Insurance		£ 1:1:9	
	Packing		$14.00	

The above invoice is correct and true.

(Signature of manufacturer, or owner or agent of either signing in the name of his principal.)

The Malaysia Rubber Company

per pro Henry Smith

FORM 48A.—UNITED STATES CONSULAR INVOICE (consigned form)

show the payment of fees. The master of a vessel arriving from abroad is required by the customs officials to present copies of all the consular invoices covering the cargoes which are to be unloaded, and each importer or his agents needs to present the

original consular invoice covering his merchandise when clearing it through the custom house.

The prices or values shown in a purchased invoice are stated

NOT PURCHASED BY IMPORTER.

Invoice No. _____ *Issued in* { TRIPLICATE. QUADRUPLICATE.

Certified _____ (Date.)

AMERICAN CONSULAR SERVICE

AT

Singapore, S.S.

Date, July 6th, 1914.

Consignor, The Malaysia Rubber Co.

Kuala Lumpur

Consignee, Richard Roe & Co.

New York

Carrier, s/s INDRA (Vessel or railroad.)

Port of shipment, Singapore

Destination of goods, Philadelphia

Port of arrival, New York

Port of entry, Philadelphia

Amount of invoice, £.273:0:0.

Kind of goods, Plantation Rubber

FORM No. 130.
(Amended April, 1913.)

Declaration of Manufacturer, or Owner or Duly Authorized Agent of Either, Covering Goods Shipped Without Sale.

We, The Malaysia Rubber Co. do solemnly of Kuala Lumpur and truly declare that we are the owners (Manufacturer or owner.) of the merchandise in the within invoice described, that the invoice is in all respects correct and true, and was made at Kuala Lumpur (Name of place where merchandise is to be exported to the United States.) whence said merchandise is to be exported to the United States, that said invoice shows the cost to us of such merchandise at the date hereof in the principal market of Straits Settlements (Name of country from which merchandise is to be exported to the United States.) that said actual market value is the price at which the merchandise described in the invoice is freely offered for sale to all purchasers in said market, and that it is the price which we would have received, and are willing to receive, for such merchandise sold in the ordinary course of trade in the usual wholesale quantities, and that it includes all charges thereon of the actual quantity thereof, and that no different invoice of the merchandise described in the said invoice has been or will be furnished to anyone.

I, further declare,

We further declare that it is intended to make entry of said merchandise at the port of Philadelphia, Pa. in the United States of America.

Dated at Kuala Lumpur, this 6th day of July, 1914. (Date.)

The Malaysia Rubber Co.
per pro Henry Leacill

The signature to a declaration made for a person should show the name of the person for whom it is made, followed by the word "per" and the name of the person by virtue of which the signer acts.

FORM No. 140.

CONSULAR CERTIFICATE.

(Date).

I do hereby certify that the invoice described in the indorsement hereof was this day produced to me by the signer of the declaration.

I do further certify that I am satisfied that the person making the declaration herein annexed is the person he represents himself to be, and that the prices given in the invoice agree with the actual market value or wholesale price of the merchandise described in the said invoice in the markets of the country at the time of exportation, as noted by me upon said invoice, or respecting which I make special communication to the proper authority.

I further certify.

that a fee of $2.50 United States gold, equal to _____ (Local currency) has been paid by affixing stamps to the duplicate copy of this document.

Witness my hand and seal of office this day and year aforesaid.

_____ (Seal.)

_____ of the United States of America.

FORM 48B.—(BACK OF FORM 48A)

in the currency of the particular transaction: in United States dollars if the transaction was in American currency, and in pounds sterling if in British money, or in German marks if in German money. In case of a consigned invoice, on the con-

trary, the prices or values are stated in terms of the currency of the exporting country. If a depreciation in currency has occurred the United States Government requires a *currency certificate* to be attached to the consular invoice showing the percentage of depreciation as compared with the standard currency and the value in such standard currency of the total amount of the depreciated currency included in the invoice.

The consular invoice is required for all imported merchandise exceeding $100 in value, except personal effects accompanying a passenger. If, however, an importer is for reasons beyond his control unable to produce such an invoice, the port collector may permit him to enter his imported merchandise on a pro forma invoice prepared on a prescribed form, accompanied with a bond covering double the amount of estimated duties, or if the merchandise is free of duty, for the sum of $100. Neither a certified consular invoice nor an application made on a pro forma invoice is necessary in entering merchandise valued at less than $100.

The entry of all importations whether free or dutiable, at the custom house by the importer, or a licensed custom house broker acting for him, is carried out in accordance with a highly technical code of customs regulations. The documents or forms required are too numerous for complete description. They vary according to kinds of entry as follows: entries for consumption, warehouse, combined warehouse and immediate exportation, rewarehouse, combined rewarehouse and withdrawal for consumption or for immediate exportation, withdrawal at original and secondary ports for consumption or exportation, preliminary entry and immediate delivery and informal entry including entry by appraisement, immediate transportation without appraisement, transportation and exportation, withdrawal from warehouse at original and secondary ports for transportation, exportation with benefit of drawback duties, customs mail entries, and baggage declarations and entries. Further variation is due to separate requirements for different kinds of imported goods.

Altogether there are several hundred forms which are variously used in the entry of imports. They are variously supplied free of charge by the United States Government, sold by privileged individuals, or printed privately by the importers.

Some are obtainable at one office and others at another. As the customs officials offer no assistance in preparing them, the services of a specialist are usually essential.

The correct entry form prepared by the importer or his agent must be presented with the bill of lading and consular invoice. On it he is required to list the imported wares by description, shipping marks and numbers, to state the foreign value of each kind of merchandise according to its classification in the tariff laws, and to state the rate of duty applicable. The price or value stated in the consular or pro forma invoice needs to be raised or lowered in the entry blank so as to disclose the true wholesale market value of the wares prevailing in the foreign country, not on the date of invoice, but on the day of departure of the vessel, or in case of shipments from inland countries the day they crossed the frontier. To this wholesale market value are added cost items such as packing charges, the dutiable value being the wholesale market value of the wares packed ready for shipment.

The entry blank is accompanied by an *importer's declaration* and *oath,* the form of which is different for purchased wares than for goods that are received on consignment. In the official "Customs Regulations of the United States" issued by the Treasury Department, Division of Customs, under the chapter heading "Invoices, Entry and Assessment of Duties" may be found a detailed list of many customs forms classed according to the various kinds of entry that were enumerated above.

Custom House Brokers and Shipping Documents

The entry of imports requires so much technical information and such an intimate knowledge of custom house practice that it has become a business or profession for many "custom house brokers." These men are licensed by the collector of customs in the district in which they operate. They act as agents for importers in the clearance of imports through the custom house. They attend to the necessary formalities, advise the importer as to estimating import duties, pay the duties and turn over the delivery order which they receive from the Port Collector to the importer, or to his truckman or forwarder. They similarly look after the part of the shipment held by the appraisers for

examination and attend to final liquidation of the duties. Should the importer elect to place his merchandise into a bonded warehouse, his custom house broker will arrange this for him and see that they are cleared when the importer is ready to withdraw them. If the imported goods are ordered for direct shipment from the ocean port to an interior destination so as to avoid double handling, a custom house broker may be engaged by him to act as his forwarding agent. He will as such forward the goods to the interior point in bond in conformity with the requirements of the custom service. The goods are transferred to bonded railroad cars in bonded trucks or lighters, and are shipped under a special *"carrier's manifest of merchandise in bond,"* the carriers assuming the responsibility of seeing that the imported merchandise will not be tampered with until word is received from the interior customs officer to the effect that all requirements of the customs service have been complied with.

The fee paid to custom house brokers by importers usually ranges from $3 to $5 for each shipment. It is generally not based upon the value of separate shipments, for the amount of work required may be no greater for a valuable consignment than for one involving a small sum.

Custom house brokers are also a factor in the operation and traffic management of the steamship business, for they frequently attend to the entrance and clearance of vessels for their owners or agents. The master of a vessel when conforming to the customs requirements at the custom house is usually accompanied by a custom house broker, and the customs documents required of steamship companies in entering or clearing vessels in the foreign trade are frequently made out for the company by a custom house broker with whom it has a standing arrangement. Instead of having their own customs clerks the traffic departments of a line may depend largely upon a broker to handle its entry and clearance papers.

Should there be dissatisfaction with the appraisement decisions of the customs officers, appeals may be made to the Board of General Appraisers. Cases involving the rate or amount of duty or the application of the administrative provisions of the customs laws may also be appealed to this Board, and may be further appealed to the United States Court of Customs Ap-

peals, and in rare cases to the United States Supreme Court.[2] These appeals from the customs officers are so technical that specialized lawyers known as "customs attorneys" are frequently engaged by dissatisfied importers.

[2] See Carl W. Stern, "Importing with Special Reference to Customs Requirements."

April 20,

CHAPTER X

SHIPPING DOCUMENTS REQUIRED BY FOREIGN GOVERNMENTS IN UNITED STATES EXPORT TRADE

Besides the documents required by the carriers in their dealings with shippers or in the conduct of their freight transportation services and those required by the United States Government, the requirements of foreign governments with respect to shipping documents used in the American export trade are an important consideration to ocean carriers and exporters.

The requirements of various countries with respect to ships' manifests have already been referred to, as also have those concerning bills of lading.[1] The latter are of particular importance to exporters and ocean carriers shipping cargoes to the Latin-American countries and to Russia, Italy, France and Portuguese East Africa. The governments of many of these countries require bills of lading to be certified by their consular officers, and some of them enforce consular regulations as to their contents, the making of corrections or erasures, or the issue of all copies in the same handwriting. In several instances cargoes may not be consigned to order.

Consular Invoices

In the same way that foreign shippers exporting cargoes to the United States are required to prepare consular invoices, so the governments of Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, France, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Portugal, Santo Domingo, and Venezuela require American exporters to prepare consular invoices, and shipments to the Philippine Islands from the United States are also subject to this requirement. Foreign regulations governing consular invoices are by no means uniform. In some instances they apply to all cargoes and in others only to certain

[1] Chapter VII.

commodities, and they vary as to language requirements, number of copies, form and contents. The Brazilian consular in-

Via FACTURA CONSULAR BRAZILEIRA (BRAZILIAN CONSULAR INVOICE)

Nº_____

Consulado Geral em Nova York

DECLARAÇÃO (DECLARATION)

Declàrámos solemnemente que somos exportadores ou carregadores
We solemnly declare that we are the exporters or shippers

das mercadorias mencionadas nesta factura contidas nos 14 *volumes*
of the merchandise specified in this invoice, contained in the packages

indicados, a qual é exacta e verdadeira a todos os effeitos,
indicated, which is in all respects true and exact,

sendo essas mercadorias destinadas ao porto de Rio de Janeiro
this merchandise being destined to the port of

do Brazil e consignadas aos Snrs. _____
Brazil and consigned to Messrs Dias Baes & Co.

de _____
of Rio de Janeiro *Nova York* ___ *de* July 21 _____ *de 19* 19

_____
_____ *Agente do Exportador*
Agent of Exporter

Nome e nacionalidade do navio á vela _____
Name and nationality of sailing vessel

Nome e nacionalidade do navio a vapor Osage American
Name and nationality of steamer

Porto do embarque da mercadoria New York
Port of shipment of the merchandise

Porto do destino da mercadoria Rio de Janeiro
Port of destination of the merchandise

Porto do destino da mercadoria _____ *com opção para* _____
Port of destination of the merchandise *with option for*

Porto do destino da mercadoria _____ *em transito para* _____
Port of destination of the merchandise *in transit for*

Valor total da factura inclusive frete e despezas approximadas $ 1,397.55
Total value of the invoice inclusive of approximate freight and charges

Frete e despezas approximadas $ 46.50
Approximate freight and shipping charges

Agio da moeda do paiz de procedencia _____
Exchange of the country whence exported

OBSERVAÇÕES DO CONSUL

_____
_____
_____

VISTO. Consulado Geral dos E. U. do Brasil.

Nova York ____ *de* _____ *de 19* ____

Pagou $1.65

FORM 49A.—BRAZILIAN CONSULAR INVOICE

voice reproduced in Forms 49a and 49b contains the name and nationality of the vessel, names of the ports of export and des-

tination, total value of all the merchandise listed in the invoice inclusive of approximate freight and charges, a separate statement of approximate freight and charges, the exchange of the country whence exported, a description of the merchandise, its marks and numbers, quantity and description of packages, description of contents, gross and net weights in kilos, other units of the Brazilian tariff, the value of each article, the country of origin, observations and certification of the Brazilian consular offices, and a certification by the shipper that he is the exporter of the merchandise listed in the invoice, that the statements contained in the invoice are true and exact and that the shipment is destined to a named Brazilian port and is consigned to a designated consignee.

In arranging the consular invoice as well as other consular documents required by some foreign countries, care needs to be taken in the exact information called for. A distinction is, for example, sometimes made in foreign consular regulations between "gross," "net," and "legal" weight. Gross weight when such distinction is made is the entire weight of the package, the container as well as its contents. Net weight on the contrary may be either the weight of the merchandise in its original package without, however, including the weight of the outside shipping container; or it may be merely the weight of the merchandise without including either its original covering or the shipping case. In Mexico where this distinction is made the term "net" weight refers to the weight of the merchandise without any covering whatever; while its weight in its original covering, which may be a box, bottle, paper wrapping or other inside protection—but without including the shipping case—is known as its "legal" weight. Whenever the terms net or legal weight are used in consular invoices it is necessary to ascertain their exact meaning.

Certificates of Origin

Various foreign countries require the exporter to prepare a "certificate of origin." Each of the following countries requires this consular document either for all exports shipped to it or only for certain commodities: Argentina, France, French East Africa, Italy, Japan, Paraguay, Portugal, Serbia, Russia,

FACTURA

I-1 1915-20M

Marcas e Numeros / Marks and Numbers	Volumes / Packages: Quantidade / Quantity	Especie / Description	Especificação da mercadoria de conformidade com a letra E do art. 13 do decreto n. 1103 de 21 de Novembro de 1903 / Specification of the merchandise, in conformity with letter E, art. 13 of law n. 1103, dated November 21st, 1903	Peso em kilogrammos / Weights in kilos: Bruto dos volumes / Gross of the volumes	Bruto da Mercadoria / Gross of the Merchandise	Liquido dos Artigos / Net of the Articles	Outras Unidades da Tarifa / Other unities of the Tariff	Valor parcial declarado por artigo inclusive ou exclusive frete e despezas / Specified value of each article inclusive or exclusive of freight and charges			Paiz de origem de cada artigo / Country of origin of each article
D B / 125											
Rio de Janeiro											
Nos. 1 - 6	6	Bales	8 ounce Cotton Duck	1147		1080	Yards 4600		$530	60	U.S. of A.
Nos. 7 - 14	8	Bales	10 ounce Cotton Duck	1890		1800	6400		820	45	U.S. of A.

FORM 49B.—BACK OF BRAZILIAN CONSULAR INVOICE

Spain and Uruguay. Countries requiring a consular invoice usually do not also require a certificate of origin because the former usually indicates the origin of the merchandise, but various countries include both documents in their consular regulations.

As in case of consular invoices certificates of origin are not uniform as to form, contents, number of copies, etc. The Argentine certificate reproduced in Form 50 calls for a listing of the names of the vessel and captain, the vessel's flag, the number of the bill of lading which is also certified by an Argentine consular officer, the shipping points, the marks, numbers, quantities and class of the packages, class of merchandise, quantity in weight or size and the country of origin. Three copies prepared in English need to be presented to the Argentine consular officer for his visé. The consul certifies that the shipper by means of this document has given proof that the merchandise contained in the packages referred to originated in the country mentioned in the column headed "country of origin of the merchandise." One copy is kept by the consul while the other copies are delivered to the ocean carrier by the shipper.

The Argentine certificate of origin reproduced in Form 50 is prepared in Spanish, for it is the official form provided by Argentine consular officers. Many exporters, however, make out the certificate on forms in which the declaration and description of shipment are in English and only the consular certification at the bottom is printed in Spanish. These forms which are sold by a private firm in New York are acceptable to the Argentine officials.[2]

Certificates of origin have a direct bearing upon the import duties collected in countries where merchandise produced in the United States is entitled to reduced or preferential rates as compared with foreign merchandise subject to the maximum tariff rates. Several of the countries requiring this document have double tariff schedules under which the lower schedule applies to all or to certain specified articles of United States origin. In other countries, as Argentina and Paraguay, the certificate of origin is required for statistical purposes.

Where the origin of merchandise is not officially shown in a consular invoice or certificate of origin and a country desires

[2] Statement by Vice Consul of Argentina at Philadelphia.

Ejemplar

Declaración y certificado de origen de mercaderías

El .. *que suscribe* de *profesión* Comerciante *domiciliado en* Filadelfia *declara de acuerdo con el Decreto de 31 Diciembre de 1901, que las Mercaderías especificadas á continuación han sido embarcadas á bordo del* vapor americano "Seneca" *Capitan* John Doe *de bandera* Americana *según conocimiento Nº* 1 *y proceden de los puntos que se expresan á continuación:*

BULTOS				DESIGNACIÓN DE LA MERCADERIA	PESO EN KILOS	PAÍS DE ORIGEN DE LAS MERCADERIAS
MARCA	N.os	CANTIDAD	CLASE			
F.C.S.	1-60	60	cajas	Sombreros	100	Estados Unidos
				Philadelphia, Enero 1 de 1919		
				John Smith		
				Por R. J. Evans		

Nº del certificado 1

Nº del conocimiento 1

Filadelfia, 1 de Enero de 1919

Certifico que el *Señor* John Smith *ha comprobado por medio de* la presente *que las mercaderías contenidas en los* 60 *bultos á que se refiere la presente declaración son originarias de los paises mencionados en la columna correspondiente.*

De que doy fé.

VICE CONSULADO DE LA REPUBLICA ARGENTINA

Wilson

Vice Cónsul de la Republica Argentina en Filadelfia, Pa. de A.

FORM 50.—ARGENTINE CERTIFICATE OF ORIGIN

knowledge of its origin, it may require that the name of the country of origin be stamped on manufactured wares, or that the words "made in United States of America" or similar indication of origin be shown on each shipping package.

Commercial Invoices

While a commercial invoice is regularly prepared by American exporters as a private document to be attached to international bills of exchange or drafts together with the bill of lading and a marine insurance policy or certificate, or to collect from the foreign purchaser in other ways; and also to assist the purchaser in clearing his goods through the foreign customs house, it is in some countries subject to consular regulations. Thus the consular regulations of the Philippine Islands require it to contain a statement of the country of origin; those of Porto Rico covering medicinal articles require a statement of their alcoholic contents; those of Jamaica require commercial invoices to contain the statement that "the cost of outer package is included in the cost of the goods"; those of Paraguay that two copies be certified by a consular officer; those of the Bahamas that they be signed by a responsible member or employee of the exporting firm. Some of the countries which require a consular invoice also prescribe the contents of commercial invoices and several of them require that they be certified by the consular officer. Various countries require certain items as to net and gross weight, etc., to be included.

Non-Dumping or Value Certificates

The commercial invoices covering exports to several of the British colonies are virtually non-dumping or value certificates as well as invoices. The consular regulations of Australia require a statement of the domestic value of the exported products F.O.B. port of exportation at date of shipment and also of any discounts for cash that apply; and the exporter is required to sign a statement to the effect that the invoice in addition to showing the price actually paid or to be paid also shows "in a separate column the actual price at the date of this declaration of equal quantities of identically similar goods to any purchaser

for home consumption," that no different invoice will be furnished to any one, and that there are no arrangements as to discounts, rebates, salary or compensation other than such as are

(1278a Feb., 1916)

Certified Invoices in duplicate are required by Customs Authorities in Canada before delivery of goods will be made to consignee. These Certified Invoices should be sent direct to consignee by Government Mail, or may accompany the shipment if shipper desires. (If consignee desires copy of Invoice for his own files it should be executed by the shipper in triplicate.)

Invoice of goods for export to Canada, sold by exporter prior to shipment.

(Place and date) New York, July 10, 1919

Invoice of Portable Gasoline Engines purchased

by John Jones of Montreal, Canada

from James Smith & Company of New York, U.S.A.

to be shipped per AMERICAN EXPRESS COMPANY

Marks and Numbers on Packages	QUANTITIES AND DESCRIPTION OF GOODS		Fair market value as sold for home consumption	Selling price to the purchaser in Canada	
					Amount
J.J. Montreal 1/4	4	Portable Gasoline Engines	$360	$380	$1,520

CERTIFICATE FORM M.

I, the undersigned, do hereby certify as follows:

(1) That I am the (a) manager exporter of the goods in the above invoice mentioned or described;

(2) That the said invoice is in all respects correct and true;

(3) That the said invoice contains a true and full statement showing the price actually paid or to be paid for the said goods, the actual quantity thereof, and all charges thereon;

(4) That the said invoice also exhibits the fair market value of the said goods at the time and place of their direct exportation to Canada and as when sold at the same time and place in like quantity and condition for home consumption, in the principal markets of the country whence exported directly to Canada, without any discount or deduction for cash, or on account of any drawback or bounty, or on account of any royalty actually payable thereon or payable thereon when sold for home consumption but not payable when exported, or on account of the exportation thereof or for any special consideration whatever;

(5) That no different invoice of the goods mentioned in said invoice has been or will be furnished to any one; and

(6) That no arrangement or understanding affecting the purchase price of the said goods has been or will be made or entered into between the said exporter and purchaser or by any one on behalf of either of them, either by way of discount, rebate, salary, compensation, or in any manner whatsoever other than is shown in the said invoice.

Dated at New York this 10th day of July 1919

(Signature)

(a) Insert the word partner, manager, chief clerk or principal official, giving rank as the case may be.

FORM 51.—CANADIAN INVOICE OF GOODS SOLD BY EXPORTER PRIOR TO SHIPMENT

shown in the invoice. Similar, although not identical, requirements apply to commercial invoices covering exports to New Zealand and British South Africa; and Newfoundland requires

the exporter to sign a statement before a notary to the effect that "this invoice is true and correct, and the prices charged are not less than the regular prices charged in the United States."

(1320. Jan., 1914.)

Invoices in duplicate should accompany the goods into Canada, and a Copy be sent direct by mail to the consignee.

Invoice of goods for export to Canada shipped on consignment without sale by exporter.

(Firm

(Place and date) New York, July 10 191 9

Invoice of Portable Gasoline Engines consigned

by James Smith & Company of New York, U.S.A.

to John Jones of Montreal, Canada

to be shipped per AMERICAN EXPRESS COMPANY.

Marks and Numbers on Packages	QUANTITIES AND DESCRIPTION OF GOODS	Fair Market Value as Sold for Home Consumption	
		@	Amount
J.J. Montreal	4 Portable Gasoline Engines	$360	$1,440
1/4			

DECLARATION FORM N.

(To be attested to before a British or other Consul, Notary Public or other official authorized to administer Oaths).

I, (a) James Farris of (b) New York, U.S.A.

do solemnly and truly declare as follows:—

(1) That I am (c) manager of Jas. Smith & Co., the owner of the goods shipped on consignment to (d) John Jones at Montreal in Canada, and described in the above invoice:

(2) That the said invoice is a complete and true invoice of all the said goods included in this shipment.

(3) That the said goods are properly described in the said invoice.

(4) That there is included and specified in the said invoice the true value of all cartons, cases, crates, boxes and coverings of any kind, and all charges and expenses incident to placing the goods in condition packed ready for shipment to Canada.

(5) That none of the said goods have been sold by or on behalf of the owner aforesaid to any person, firm or corporation in Canada.

(6) That the said invoice contains a just and faithful valuation of such goods at their fair market value as sold for home consumption in the principal markets of the country whence the same are exported directly to Canada, and that such fair market value is the price at which the said goods are freely offered for sale in like quantity and condition by me or by dealers therein to purchasers in said markets in the ordinary course of trade at the usual credit, without any discount or deduction for cash, or on account of any drawback or bounty or on account of any royalty actually payable thereon, or payable thereon when sold for home consumption, but not payable when exported, or on account of the exportation thereof, or any special consideration whatever.

(7) That if the value for duty of any goods as stated in this invoice is other than the value thereof as above specified, such value for duty has, to the best of my knowledge and belief, been fixed and determined under the authority of the Customs Act at the value stated in said invoice; and

(8) That no different invoice or account thereof has been or will be furnished to any one by me or on my behalf.

Declared at New York, U.S.A.

this 10th day of July 191 9

before me

(Signature)

(a) Name of party subscribing to this declaration. (b) City or town and country. (c) A member of the firm of giving the name of the firm when the shipment is made by a firm, or an officer, director or manager of giving the name of the corporation when the shipment is made by a corporation. (d) Name of consignee.

FORM 52.—CANADIAN INVOICE OF GOODS SHIPPED ON CONSIGNMENT

The Canadian Government has approved two forms of invoice, each with a non-dumping certificate. The Canadian certificate for merchandise sold by the exporter prior to shipment is re-

produced in Form 51, and the blank used when exports are shipped to Canada on consignment without sale by the exporter in Form 52. The former shows the actual selling to the Canadian purchaser and also the fair market value as sold for home consumption in the principal markets of the United States; and the latter only the fair market value as sold for home consumption. Any wares which are entitled to reduced import duties under the British preferential tariff must be invoiced and packed separately, and the certificate in such case contains a statement that they are bona fide produce or manufacture of the country of origin named in the invoice and are entitled to preferential treatment.

The primary purpose of these certificates of value is to facilitate the so-called "non-dumping clauses" contained in the tariff laws of these British colonies who desire to prevent the flooding of their markets with surplus foreign products at prices so low as to be detrimental to home industries. Imports into Canada invoiced at prices below their fair market value when sold for consumption in the exporting country are liable to a special "dumping" import duty equal to the difference between the invoice price and their fair value for home consumption. This special duty is, however, not to exceed 15 per cent. ad-valorem and a tolerance of 5 per cent. is permitted in case of most products. Articles of a kind not produced in Canada, moreover, are exempted from the special import duty.

Health Certificates and Special Consular Documents

The requirement in the customs regulations of the United States with respect to export inspection certificates issued by the Bureau of Animal Industries, Department of Agriculture, in case of exported live animals and meat products, which were referred to in the preceding chapter, are in line with the consular regulations of a number of foreign countries which require the presentation of such certificates when livestock and meat products are imported. Certificates of health issued by the Department of Agriculture or other authorities designated in the consular regulations certifying that seeds, grasses, plants, trees, etc., are free from plant illness are similarly required by various foreign governments.

Miscellaneous special certificates, labels, etc., are required in the consular regulations of some foreign countries. Salvador, for example, requires a flour quality certificate viséd by the pure food authority of the Department of Agriculture; Santo Domingo, a cotton seed certificate in which the Department of Agriculture certifies that the shipment is free from plant diseases and insect pests; and Panama, a certificate of analysis from a recognized chemist certifying that special or patented food products or beverages shipped to Panama but unknown there are not injurious to health. Various foreign countries require the use of shipping labels indicating the substances contained in canned food products, or the name of the manufacturer, place of manufacture, statements as to mixture or imitation, or other items prescribed in their consular regulations. Before medicines may be imported into Italy, application for permission must be made to the Italian Ministry of the Interior. When shipping refined petroleum to Uruguay duplicate fire-test certificates, one of which is sworn to, must be furnished.

Although many foreign countries require no special consular documents, sufficient has been stated to indicate that others enforce regulations equally or even more detailed than those applicable to foreign products imported into the United States. When shipping to a foreign market it is invariably necessary to examine its consular regulations, for their requirements as to shipping documents are not uniform.

The special regulations enforced during the war, particularly by the belligerent and neutral countries of Europe, were the direct result of war emergency conditions and are omitted from this account because of their temporary character.

CHAPTER XI

SHIPPING DOCUMENTS USED IN OCEAN FREIGHT FORWARDING BUSINESS

In the conduct of the freight forwarding business the usual shipping documents described in Chapters VII to X are required, but in addition the freight-forwarding concerns, in their relations with the shippers for whom they forward cargoes, with the steamship lines, and with their foreign agents, require a number of special documents. The shipment of air brake

FORM 135

CALDWELL & COMPANY
50 BROAD STREET

FREIGHT CONTRACT.

Contract No. 3276

NEW YORK, June 12, 1919.

Engaged freight to Liverpool, England.

of White Star Line, Agents of the S/S CEDRIC

for account of Atlantic Air Brake Co., EXPECTED SAILING DATE June 30

200 tons Air Brake Machinery,

At $1.50 per 100 ~~lbs. or primage per~~

This contract is made subject to conditions of Act of Congress governing Bills of Lading, approved Feb. 13, 1893, and to terms of Bill of Lading as per by Steamer's Agents.

Should Steamer not pass Sandy Hook by 6 P. M. of expected sailing day (as reported by Maritime Exchange), shippers have option of cancelling this contract on giving Agents notice to that effect by noon of the first business day following expected sailing date.

Should Steamer arrive known to be so disabled as to prevent her sailing within 10 days after her expected sailing day, shippers have option of cancelling this contract on giving Agents notice to that effect by noon of the first business day following announcement of disability.

Steamers reserve right of taking grain in excess of her net register tonnage.

Brokerage 1%

CALDWELL & COMPANY,

FREIGHT BROKERS

Sgd. James F. Smith.

FORM 53.—FORWARDER'S FREIGHT CONTRACT

machinery from Cleveland, Ohio, to Sheffield, England, described in this chapter, may be regarded as a typical ocean freight forwarder's transaction. The shipper's name, quantity of cargo, etc., specified in the accompanying shipping papers, are assumed, but the forms are those actually used by a large New York freight forwarder.

The freight forwarder having been engaged by the Atlantic Air Brake Company to forward two hundred tons of air brake

machinery to Sheffield, England, the first step taken by the forwarder was to engage the necessary ocean freight to Liverpool, England. The freight contract, shown in Form 53, which was

TELEPHONES { 0223 0224 0225 0226 0227 0228 } BROAD

CABLE ADDRESS "HOWARDBOYD"
CODES USED { SCOTTS WATKINS RIMBICHS

Houlder, Weir & Boyd, Inc.
Steamship Agents and Ship Brokers
21-24 State Street

AGENTS FOR
AMERICAN & ORIENTAL LINE
CHINA, JAPAN AND PHILIPPINES
AMERICAN & RIO PLATA LINE
MONTEVIDEO, BUENOS AYRES
LA PLATA AND ROSARIO

NIPPON YUSEN KAISHA
REGULAR SERVICE
NEW YORK AND FAR EAST

AGENTS FOR
NEW YORK & VANCOUVER LINE
TO PORTS IN BRITISH COLUMBIA
BOMBAY-AMERICAN LINE
BOMBAY TO NEW YORK AND PHILADELPHIA

New York June 12, 1919.

To The American Railway Association,
Export Division,—General Operating Committee
Eastern Railroads
141 Broadway, New York

Gentlemen:-

Railroad shipping permit is hereby requested covering movement of following export freight, consigned to Atlantic Air Brake Co., c/o Caldwell & Co., 50 Broad Street, New York City.

Shipper	A tlantic Air Brake Co.,
Point of shipment	Cleveland, Ohio.
Located on tracks of	N. Y. C. R. R.
Commodity	Air B rake Material,
Quantity	Seven Carloads,
Port of Exportation	New York,
Route (see note)	N.Y.C.R.R.
Foreign Destination	Liverpool,
For Steamship	CEDRIC
Loading	June 27th, 1919.
U. S. Federal License No	RAC-63
Steamship Contract No.	3276

Yours truly,
HOULDER, WEIR & BOYD, Inc.
Per

NOTE.—Routing Subject to revision because of embargo or other conditions.

Form 54.—General Operating Committee Shipping Authority

made out for account of the Atlantic Air Brake Company, may be compared with the ocean carrier's freight contract, reproduced in Form 1 of Chapter VII. The specified brokerage of 1 per cent. is paid by the White Star Line to the freight for-

warder who in this instance is acting as a freight broker. The freight contract is made out in triplicate, one copy going to the shipper or party for whom the freight is engaged, and two to the steamship company, which retains one of these copies and after signing the others returns it to the freight forwarder.

The shipment being made while export shipments by rail were still under war control, the second step taken by the forwarder was to make application to the General Operating Committee of the Eastern Railroads for the so-called "G.O.C. authority" to bring the air brake material to the seaboard. This application was made with the approval of the steamship company with whom freight was engaged, and it was made on a steamship company form, one copy of which was kept by the forwarder and another by the steamship company, and one copy of which was sent to the General Operating Committee for grant of authority (see Form 54). When the G. O. C. authority was received it was sent to the Atlantic Air Brake Company at point of origin as authority for the railroad agent in Cleveland to accept the shipment.

Shipping Instructions

The entire two hundred tons or seven carloads of air brake material were not shipped from Cleveland at one time. As commonly occurs, one carload shipment of thirty cases was made first, the other carloads following later. The remaining forwarding documents herein reproduced, therefore, do not list the entire shipment of two hundred tons, but only the thirty cases comprising the first shipment. When the remaining shipments were made they were handled in precisely the same way.

Shortly after the thirty cases of air brake compressors, comprising the first part of the shipment for which freight was engaged, was started from Cleveland, the shipper gave his *shipping instructions* to the ocean freight forwarder on the blank reproduced in Form 55. These instructions directed the forwarder to make out the bill of lading in the name of the shipper and to consign the shipment to the order of the shipper. They also gave the name and address of the concern in Sheffield which is to be notified of the shipment, but this concern will not be able to obtain possession of the air brake compressors until it

has satisfied the requirements of the draft to which the order bill of lading will be attached. The value of the compressors for custom house clearance is stated so that the forwarder will

15M 3853 C. B. 9-16

3 Telephone 5510 Broad — Established 1857 — Reference No.

CALDWELL & COMPANY

FOREIGN FREIGHT CONTRACTORS

Custom House Brokers. Marine Insurance.

50 BROAD STREET

New York

CHICAGO, ILL. 123 So. Michigan Avenue
MILWAUKEE, WIS. 507 Reed Street
SAN FRANCISCO, CAL. 244 California Street
SEATTLE 1034 Henry Building

DETROIT 1524 DIME BANK BLDG.
BOSTON 110 STATE STREET
PHILADELPHIA 475 Bourse Bldg.

THROUGH RATES TO AND FROM ALL PARTS OF THE WORLD

FROM (CITY) Cleveland, O. DATE June 18, 1919. 191

Dear Sirs

We shipped on June. 17, 1919. following goods, consigned in your care as per enclosed R. R. Bill of Lading of the NYCRR

MARKS AND NUMBER	NO. AND KIND OF PKGS. DESCRIBED	CONTENTS	GROSS WEIGHT LBS.	NET WEIGHT LBS.	MEASUREMENT
L A 13089 Company. SHEFFIELD #1/30	30 cases	Air Brake Compressors.	23029#	20198#	22x30x36" each,

WHICH PLEASE FORWARD TO DESTINATION IN ACCORDANCE WITH THE FOLLOWING INSTRUCTIONS.

Make Bill of Lading in the name of Atlantic Air Brake Co.

Consign to the order of Atlantic Air Brake Co.,

Party to be notified and address Langstaff, Airey & Co., 35 C hapel St. Sheffield Eng.

Destination Sheffield, Eng.

Value for Custom House Clearance is $ 12,500.

If shoes shipped state number of pairs. If leather shipped state number of square feet. If machinery shipped state kind of machinery.

future shipment for $ 16,500. and charge to Atlantic Air Brake Co.

Shall we cover Insurance against breakage? --

Ocean freight to be charged to Atlantic Air Brake Co.

Through Freight and all Charges to be charged to Atlantic Air Brake Co.

Freight to New York to be charged to Prepaid by Atlantic Air Brake Co.

Cartage or Lighterage to steamer to be charged to Atlantic Air Brake Co.

Regular forwarding charges, are for account of " " " "

Custom house and consular fees are to be charged to " " " "

Amount of shippers C. O. D. if any collected against delivery $ None.

Mail 3 neg. Bill of Lading to shippers and 2 copies of Bills of Lading to consignee

If shipment does not arrive at seaboard by June 25th, advise us by wire or cable so that we can trace it.

Special remarks if any

The above is a correct declaration and should the shipment for any cause be refused or returned, agree to pay any and all charges incurred. Claim for loss or damage to packages or contents waived unless insured.

"This transaction is made under representation by the undersigned that there is not involved in connection therewith any trading, directly or indirectly, with, to, from, for, or on account, behalf, or benefit of any enemy or ally of enemy of the United States or any transaction violative of the Trading-with-the-Enemy Act of the United States."

Yours truly

Send all shipments in our care and send us Railroad Bills of Lading showing clearly marks and numbers of packages. When in carload lots, have "Lighterage Free" appear on same

FORM 55.—FORWARDER'S SHIPPING INSTRUCTIONS

be able to correctly prepare the export declaration. The amount of insurance desired is stated and the forwarder is instructed to charge this to the shipper. The forwarder is also informed that the ocean freight, the through freight and all charges to

destination, the cartage or lighterage to the steamer, the forwarding charges and the custom house fees should be charged to the shipper and that freight to New York has been prepaid by the shipper. The shipper calls for three negotiable copies of the bill of lading and directs that two non-negotiable copies be sent to the consignee. The shipping instructions were given June 18th, and the forwarder is instructed to advise the shipper by wire if the shipment does not arrive at the seaboard by June 28th, so as to enable the shipper to trace it in time to meet the expected loading on the 27th and the expected sailing of the steamer on the 30th.

The shipper having shipped the air brake compressors to the seaboard in the care of the forwarder, encloses the railroad bill of lading with the shipping instructions so as to enable the ocean forwarder to take possession of the compressors when they arrive at New York.

Arrival Notice, Shipping Permit and Customs Declaration

The forwarder upon receipt of the shipping instructions proceeds to prepare the necessary *exporter's declaration* to satisfy the requirements of the United States Customs House. The various copies of this customs document are handled as was described in connection with Form 45 of Chapter IX, for the customs regulations apply whether the shipper makes his shipment direct or through an ocean freight forwarder. The forwarder now also obtains the usual *shipping permit* from the steamship company on presentation of the custom's clearance and evidence that freight has been engaged.

When the shipment of air brake compressors arrives at the seaboard the forwarder receives the usual *notice of arrival* from the railroad, after which upon presentation of the railroad bill of lading the forwarder obtains possession of them.

Lighterage or Trucking Instructions

Export cargoes arriving at New York are either to be lightered or trucked. As the shipment of air brake compressors in question was entitled to free railroad lighterage the forwarder issued *lighterage instructions* to the railroad company, using the stand-

ard blank reproduced in Form 56. The railroad company is instructed to deliver the thirty cases of air brake material listed by mark, number, description and weight to the steamer *Cedric*

Form 101 5M, 4-13-19

6

CALDWELL & COMPANY

50 BROAD STREET

NEW YORK CITY

W/B 40584

June 24th, 1919.

Date

Messrs. ~~XXXXXXX~~
New York Central Railroad Co.
Produce Exchange, N. Y.C.

Please deliver the following to steamer CEDRIC

Pier 59, North River on or before June 28th, 1919.

Car LV 30597, at 60th St. pro. 234 arrived June 23rd.

" " " "

" " " "

MARKS	NUMBER	PACKAGES & CONTENTS	WEIGHT
L A 13089, COMPANY, Sheffield,	#1/30	Thirty cases (30) Air Brake Material,	23,029#

Signed dock receipt must be sent to the undersigned immediately after delivery, or goods may go forward at your risk and expense.

Yours truly,

CALDWELL & COMPANY

Per

FORM 56.—FORWARDER'S LIGHTERAGE INSTRUCTIONS

at Pier 59, North River, on or before June 28th. The lighterage instructions also show the railroad car number, the location of the car, the number of the railroad bill of lading, the date when the car arrived, the number of the forwarder's waybill,

and a request that the *dock receipt* which the railroad will receive from the steamship company be sent to the forwarder immediately after delivery.

No. 13206
6-A

TRUCKING INSTRUCTIONS

Way Bill 40584

CALDWELL & COMPANY

New York, June 24, 1919.

CHARGES		
Express-Receipt Attached		
Freight " "		
Storage " "		
Labor " "		
Cartage @ " "		
Total O. K.		

Mr. John F. Hickey, (Truckman)

Deliver to S/S CEDRIC,

On or before June 28th, 1919.

Loading at Pier 59, North River,

From ~~XXXXXXXX~~ R. R. PIER 60th St. Car LV 30597 Arrived June 23.

Marks and Numbers	Packages and Contents	WEIGHTS Each	Gross
L A 13089, Company. Sheffield, #1/30	Thirty (30) Cases Air Brake Material,	~~22,222#~~	23,029#

TRUCKMENS report and charges must be made on our blue slip immediately upon delivery of goods and on the return of this and all necessary receipts. EMPLOYEES are requested to see that all charges incurred are paid.

Ordered out by John McDermott

Remarks,

Date Delivered

By Truck

Truckman

Form 111. 12-15-19 R.R & C Co

FORM 57.—FORWARDER'S TRUCKING INSTRUCTIONS

Three copies of these lighterage instructions are made up. One copy goes to the railroad company for execution; another is attached to the correspondence and papers of the forwarder

covering the shipment; and a third copy is given to the forwarder's transportation department, which is to follow up the shipment to see that delivery is made in permit time.

Had it been necessary to effect delivery to the steamer by truck, the forwarder would have issued *trucking instructions* to a truckman on a blank such as is shown in Form 57. The form of this paper is similar to that of the lighterage instruction blank which was actually used in connection with the shipment of air brake compressors, but differs in that it contains a space in which the truckman would have inserted the express and cartage charge which would have been incurred had the delivery not been effected by lighter.

Trucking instructions are also made up in triplicate. One copy is attached to the papers and correspondence covering the shipment, and two copies are given to the truckman, who retains one copy and returns the other to the forwarder with his charges noted thereon after delivery has been made.

Bills of Lading

When delivery has been effected to the outgoing steamer either by lighter or by truck the railroad company or the truckman, as the case may be, obtains from the receiving clerk of the steamer a *dock receipt* such as was reproduced in Form 5 of Chapter VII. The forwarder is then in a position to prepare the *ocean bills of lading,* which are returned to the steamship company for signature. The number of copies to be prepared and their contents has been described in Chapter VII. A case of a large shipment which does not need to be combined with others by the forwarder in order to overcome the effect of the minimum bills of lading issued by some steamship lines, and which is destined to a port reached by the line, the ocean bill of lading obtained from the steamship company may be sent to the shipper. In many instances, however, the forwarder issues his own *forwarder's bill of lading* to the shipper.

This was done in case of the shipment of air brake material which was destined to Sheffield, an inland point not reached by the steamship line. The forwarder's bill of lading reproduced in Form 58a, it will be noted, carries the shipment through Liverpool to Sheffield. In accordance with the exporter's ship-

ping instructions it is made to order of the shipper, the forwarder affirming to three negotiable copies, "one of which being accomplished the others to stand void." It names the con-

W. A. CALDWELL — O. RADEMAN — H. FOWLER

CABLE ADDRESS: BERCALD, N.Y. ALL CODES

CORRESPONDING AGENTS IN THE PRINCIPAL PORTS THROUGHOUT THE WORLD

EXPORT BILL OF LADING

ESTABLISHED 1857

CALDWELL & COMPANY

FOREIGN FREIGHT CONTRACTORS-FORWARDERS AND CUSTOM HOUSE BROKERS. MARINE INSURANCE

475 Bourse Building PHILADELPHIA — 50 BROAD STREET, NEW YORK — 119 State Street BOSTON

1524 Dime Bank Building DETROIT — 122 So. Michigan Avenue CHICAGO — 107 Reed Street MILWAUKEE

210 California Street SAN FRANCISCO — 1034 Henry Bldg. SEATTLE

AGENTS FOR YEOWARD BROS. LINE NEW YORK VIA LIVERPOOL TO LAS PALMAS-LISBON-TENERIFFE

SOLICITING AGENTS OSAKA SHOSEN KAISHA LTD. (OSAKA MERCANTILE S.S. CO. LTD.) NIPPON YUSEN KAISHA (JAPAN MAIL S.S. CO.)

RECEIVED subject to the Classifications and Tariffs in effect on the date of issue of this Original Bill of Lading. No. 40584

at New York, N. Y., from ATLANTIC AIR BRAKE CO. the property described below, in apparent good order, except as noted (contents and conditions of contents of packages unknown), marked, numbered, consigned and destined and to be carried as indicated below.

To be delivered to the good Steamer CEDRIC bound for LIVERPOOL,

[scheduled to sail June 30, 1919. sailed _____] or the next available Steamer [or Line] and to be delivered in like order and condition at SHEFFIELD, ENGLAND, [or so near thereto as steamer may safely get, with liberty to call at any port or ports in or out of the customary route], and to be there delivered in like good order and condition as consigned, or to consignee's assigns, or to another carrier on the route to destination if consigned beyond Port of _____, call upon payment immediately on discharge of the property, of the freight thereon, at the agreed rate, United States gold currency, with all other charges and average, without any allowance of credit or discount.

CONSIGNED UNTO O R D E R

ARTICLES: THIRTY (30) BOXES AIR BRAKE MATERIAL.

MARKS, NUMBERS OR ADDRESS ON GOODS		SUBJECT TO CORRECTION SAID TO WEIGH	RATE	CHARGES	VALUE
L A 13089, COMPANY, SHEFFIELD,	#1/30	23,029#			

APPLY FOR DELIVERY TO THOMPSON, KING & CO., 35 LEADENHALL ST. LIVERPOOL, ENG.

The Agent or Correspondent of CALDWELL & CO named above will NOTIFY LANGSTAFF, AIREY & CO., 35 CHAPEL ST. SHEFFIELD, ENG. where and through whom final delivery will be made

CHARGES (PREPAID)

FOR	FROM	TO	@				
CARRIAGE	NEW YORK	SHEFFIELD, ENG.					
CARRIAGE							
MARINE INSURANCE	& WAR RISK ARRANGED THROUGH CALDWELL & COMPANY.						
All Risks of Fire or Flood while Goods are on the Dock, to be borne by the Shippers.							

It is mutually agreed as to each carrier of all or any of said property, over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the conditions, whether printed or written, herein contained, including conditions on back hereof, and which are agreed to by the shipper and accepted for himself and his assigns.

It is stipulated that any claim, demand or question, arising out of this shipment and Bill of Lading shall be determined according to the law of the State of New York.

AND FINALLY, in accepting this Bill of Lading, the Shipper, Owner and Consignee of the goods and the Holder of the Bill of Lading agree to be bound by all its stipulations, exceptions and conditions whether written or printed, as fully as if they were all signed by such Shipper, Owner, Consignee or Holder.

IN WITNESS WHEREOF, CALDWELL & CO., hath affirmed to THREE Bills of Lading, all of this tenor and date, one of which being accomplished to others to stand void.

CALDWELL & CO.

DATED AT NEW YORK, N. Y. June 28 191 PER

WE ARE NOT RESPONSIBLE FOR THE CONSEQUENCES OF THIS DOCUMENT IF NOT CORRECTLY OR INDELIBLY FILLED FROM STATE OF

FORM 58A.—FORWARDER'S BILL OF LADING

signee merely so that the agent of the forwarder may notify him; and it also contains the name of the agent at Liverpool to whom application should be made for delivery. It is, however, an order bill of lading which the exporter will attach to a draft

in order to obtain payment for his air brake compressors, and which needs to be presented with proper endorsement before the forwarder's agent will deliver them to the consignee.

ENDORSEMENTS.

CONDITIONS.

IT IS MUTUALLY AGREED that the ship shall have liberty to call with or without pilots; and to deviate for purposes of saving life or property; that the carrier shall have liberty to tow other goods in lighters to and from the ship at the risk of the owners of the goods; and in case the ship shall put into a port of refuge, or be prevented from any cause from proceeding in the ordinary course of her voyage, to tranship the goods to their destination, by any other steamship; that the carrier shall not be liable for loss or damage occasioned by fire from any cause or whatsoever occurring; by barratry of the master or crew; by robbers on land or sea; by arrest and restraint of princes, rulers or people, riots, strikes or stoppage of labor; by explosion, bursting of boilers, breakage of shafts, or any latent defect in hull, machinery or appurtenances, misfeasance, error in judgment, any act, neglect, or default whatsoever of pilots, masters or crew in the management or navigation of the ship, collisions and all and every other danger and accidents of the seas, rivers and canals and of navigation of whatsoever nature be kind excepted, or unseaworthiness of the ship, even existing at time of shipment or sailing on the voyage, provided the owners have exercised due diligence to make the vessel seaworthy; by heating, decay, putrefaction, rust, sweat, chalage, vermin, mildew, rain, spray, change of character, drainage, leakage, breakage, or any loss or damage arising from the nature of the goods or the insufficiency of packages; nor for land damage or damage by coal dust or for reasonable wear and tear, or by contact with other cargo or seawater, or for the obliteration, errors, insufficiency or absence of marks or numbers, address or description; nor for risk of craft, hulk or transshipment, nor for any loss or damage caused by the prolongation of her voyage; and that the carrier shall not be considered as to correctness of the statements herein, of weight, measure, quantity, quality, contents and value. Pin s, expenses and losses by detention of ship or cargo caused by incorrect marking, or by incomplete or incorrect description of contents or weight or any other particulars required by authorities at ports of discharge upon either the package or Bill of Lading shall be borne by the owner of the goods.

IT IS ALSO MUTUALLY AGREED that this shipment is subject to all the terms and provisions of and all the exemptions from liability contained in the Act of Congress of the United States, approved on the 13th day of February, 1893, (and entitled an Act relating to Navigation of Vessels, etc.)

1. IT IS ALSO MUTUALLY AGREED that the Carrier shall not be liable for articles enumerated in Section 4281 of the Revised Statutes of the United States, nor for any package exceeding the sum of $100 in value, unless notice of true character and value thereof is given and same is entered in the bill of lading.

2. ALSO, that Shippers shall be liable for any loss or damage to Ship or Cargo caused by inflammable, explosive or dangerous goods, shipped without full disclosure of their nature, whether such Shipper be Principal or Agent, and such goods may be thrown overboard or destroyed at any time without compensation.

3. ALSO, that Caldwell & Company shall have a lien on the goods for all freights, primages and charges, and also for all loss or damages which the ship or cargo may incur or suffer by reason of incorrect and insufficient marking, numbering or addressing of packages or description of their contents. Furthermore, all charges or expenses incurred through non-compliance with Custom Requirements will be charged to consignee.

4. ALSO, that in case the Ship shall be prevented from reaching her destination by Quarantine, the Carrier may discharge the goods into any Depot or Lazaretto, and such discharge shall be deemed a final delivery under this contract, and all the expenses thereby incurred on the goods shall be a lien thereon.

5. ALSO, that the Ship may commence discharge immediately on arrival and discharge continuously, the Collector of the Port being hereby authorized to grant a general order for discharge immediately on arrival, and if the goods be not taken from the ship by the Consignee directly they come to hand in discharging the ship the Master or this Agent to be at liberty to enter and land the goods, or put them into docks or store at owner's risk and expense, and the ship and carrier to have a lien on such goods, until the payment of all sorts and charges so incurred.

6. ALSO, that full freight is payable on damaged or abandoned goods; but no freight is due on any increase in bulk or weight caused by the absorption of water during the voyage.

7. ALSO, that if on a sale of the goods at destination for freight and charges, the proceeds fail to cover said freight and charges, Caldwell & Company shall be entitled to recover the difference from the shipper.

8. ALSO, it is distinctly understood that Caldwell & Company are only the Agents of Shippers and are in no way responsible for the acts and defaults of the carriers to whom they entrust the goods.

9. ALSO, that merchandise on wharf awaiting shipment or delivery be at shipper's risk of loss or damage by fire and or flood, not depending through the fault or negligence of the owner, master, agent or mariners of the vessel.

10. ALSO, that this bill of lading, duly endorsed, be given up to the Agent of Caldwell & Company in exchange for delivery order.

11. ALSO, that the Freight prepaid, will not be returned, goods lost or not lost.

12. ALSO, that freight payable on weight is to be paid on gross weight landed from Ocean Steamship, unless otherwise agreed to or herein otherwise provided, or unless the Carrier elects to take the freight on the Bill of Lading weight.

13. ALSO, it is stipulated that in case the whole or any part of the articles specified herein be prevented by any cause from going in the first steamship leaving after the arrival of such articles at said port, the Carrier is only bound to forward them by succeeding steamships, or if deemed necessary by said Carrier it may forward them in other steamships.

14. ALSO, that the property covered by this bill of lading is subject to all the conditions expressed in the regular forms of bills of lading in use by the steamship companies at time of shipment, and to all local rules and regulations at port of destination not expressly provided for by the clauses herein.

15. ALSO, that goods may be baled or coopered, if necessary, at expense of owners—costs to follow goods.

16. Goods which may be required to be forwarded by Rail, Steamer, or otherwise, to their destination, from the Ship's Port of Discharge, shall be so forwarded at Shipper's risk, and carried subject to the ordinary Conditions of Carriage of the Railway, Steam or other Carrier employed, or subject to any special terms required by them. All liability of the ship and owners and Caldwell & Company under this bill of lading to cease upon delivery of the goods to the succeeding carrier.

17. Freight and charges payable by consignee to be paid at current rate of exchange.

18. ALSO, in case of closing of port of destination by ice, right is reserved to unload cargo at nearest accessible port. Any expense incurred for so discharging with cost for carrying to destination will be at risk and expense of consignee.

19. MARINE RISKS: Caldwell & Company will not be responsible for losses arising from perils of the sea unless Marine Insurance is undertaken by them for the assured.

AND FINALLY, in accepting this bill of lading, the shipper, owner and consignee of the goods, and the holder of the bill of lading, agree to be bound by all of its stipulations, exceptions and conditions, whether written or printed, as fully as if they were all signed by such shipper, owner, consignee or holder.

"It is mutually agreed that while the goods are in the possession of any carrier or firm employed by the forwarding agents, such carrier or firm shall alone be liable for any loss, damage or delay to the goods and the owners thereof may, in their own name, take action for the recovery of such loss from such carrier or firm employed.

ATTENTION OF SHIPPERS IS CALLED TO THE ACT OF CONGRESS OF 1851.

"Any person or persons shipping oil of vitriol, unslaked lime, inflammable matches, or gunpowder in a ship or vessel taking cargo for divers persons as Freight, without delivering, at the time of shipment, a notice in writing expressing the character of such merchandise to the master, mate, officer or person in charge of the lading of the ship or vessel, shall forfeit to the United States One Thousand Dollars."

FORM 58B.—BACK OF FORWARDER'S BILL OF LADING

An examination of the conditions stated in Form 58b shows that the ocean forwarder's bill of lading embodies the usual clauses defining the liability of the steamship company, and also that the property covered by it is "subject to all the conditions

expressed in the regular forms of bills of lading in use by the steamship companies at time of shipment, and to all local rules and regulations at port of destination not expressly provided for by the clauses herein." Liability for loss or damage due to the acts of the steamship company continue to be subject to the terms of the ocean carrier's bill of lading and such federal statutes as are applicable, and remains vested in the ocean carrier. The forwarder's bill of lading provides that "it is distinctly understood that Caldwell and Company (the forwarders) are only the agents of shippers and are in no way responsible for the acts and defaults of the carriers to whom they entrust the goods." Many, although not all banks, however, accept the bills of lading issued by reputable ocean freight forwarders to attach to drafts. Should loss or damage occur for which the ocean carrier is legally responsible, the ocean bills of lading issued by the ocean carrier to the forwarder become available.

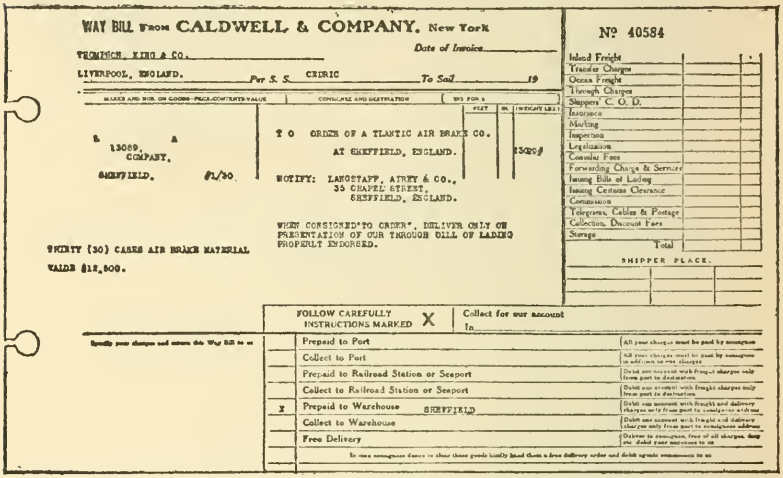
The ocean forwarder under the conditions of his bill of lading has a lien on the cargo for "all freights, primages and charges, and also for all fines or damages which the ship or cargo may incur or suffer by reason of incorrect or insufficient marking, numbering or addressing of packages or description of their contents. Furthermore, all charges or expenses incurred through non-compliance with requirements will be charged to consignee." It is also provided that "if on a sale of the goods at destination for freight and charges, the proceeds fail to cover said freight charges, (the forwarder) shall be entitled to recover the difference from the shipper."

Forwarder's Waybills

The ocean freight forwarder having attended to the forwarding of the shipment of air brake material through the port of export now prepares his waybill (Form 59), which contains instructions to the Liverpool firm acting as the forwarder's agent, and which also serves as the basis of his accounts in so far as charges have not been prepaid by the shipper or charged to him. It will be noted that transportation and other charges incurred in connection with the shipment of air brake material in question were prepaid to the warehouse at Sheffield, the final destination, so that the foreign agent was not called upon to

collect anything from the consignee for the account of the ocean freight forwarder.

The forwarder's waybill, besides containing instructions as to the collection of charges, also states the name of the steamer and her sailing date; the marks, numbers, description, value and weight of the cargo; to whom it is billed; who shall be notified; the name of the shipper; and a reminder that when consigned "to order," the cargo should be delivered only on presentation of the forwarder's through bill of lading properly endorsed.



WAY BILL From CALDWELL & COMPANY, New York

Date of Invoice

THOMPSON, KING & CO.

LIVERPOOL, ENGLAND. Per S. S. CEDRIC To Sail 19

MARKS AND NOS. OR GOODS—PKGS.—CONTENTS—VALUE | CONSIGNEE AND DESTINATION | NO. FOR A | PKGS. | WEIGHT LBS.

& A
13089,
COMPANY,
SHEFFIELD. #1/30.

TO ORDER OF A TLANTIC AIR BRAKE CO.
AT SHEFFIELD, ENGLAND. 13089

NOTIFY: LANGSTAFF, AIREY & CO.,
35 CHAPEL STREET,
SHEFFIELD, ENGLAND.

WHEN CONSIGNED "TO ORDER", DELIVER ONLY ON PRESENTATION OF OUR THROUGH BILL OF LADING PROPERLY ENDORSED.

TWENTY (30) CASES AIR BRAKE MATERIAL
VALUE $12,000.

Nº 40584

Inland Freight	
Transfer Charges	
Ocean Freight	
Through Charges	
Shippers' C. O. D.	
Insurance	
Marking	
Inspection	
Legalization	
Consular Fees	
Forwarding Charge & Service	
Issuing Bills of Lading	
Issuing Customs Clearance	
Commission	
Telegrams, Cables & Postage	
Collection, Discount Fees	
Storage	
Total	

SHIPPER PLACE.

FOLLOW CAREFULLY INSTRUCTIONS MARKED X | Collect for our account In

Specify your charges and return this Way Bill to us

	Prepaid to Port	All your charges must be paid by consignee
	Collect to Port	All your charges must be paid by consignee in addition to our charges.
	Prepaid to Railroad Station or Seaport	Debit our account with freight charges only from port to destination
	Collect to Railroad Station or Seaport	Debit our account with freight charges only from port to destination.
X	Prepaid to Warehouse SHEFFIELD	Debit our account with freight and delivery charges only from port to consignee address
	Collect to Warehouse	Debit our account with freight and delivery charges only from port to consignee address
	Free Delivery	Deliver to consignee, free of all charges, duty paid, and your statement to us

In case consignee fails to clear these goods kindly land them a free delivery order and debit agents commission to us

FORM 59.—FORWARDER'S WAYBILL

The waybill is issued in triplicate, one copy being kept by the forwarder as a record of the transaction, and two being sent to the foreign agent of the forwarder at the port of entry. Of these two copies, one is forwarded in a mail accompanying the shipment, and a second is sent in a later mail. The foreign agent is requested to specify his charges in a space provided for that purpose in the waybill, and to return it to the forwarder.

FORWARDER'S EXPENSE BILL

The transaction between the forwarder and shipper or party for whom the air brake material was forwarded was closed on the basis of the forwarder's expense bill. As is shown in

Form 60, the shipper who agreed to pay the shipping charges through to destination was called upon to remit $365.46. This included the freight charge which carried the shipment from New York to Sheffield, the insurance on a value of $16,500 which the forwarder was requested to obtain, the forwarding charge, a charge for issuing the bill of lading, and a charge for issuing the customs clearance.

FORM 60-FORWARDING 1919

TELEPHONE TO BROAD 8819

BRANCH OFFICES
123 So. Michigan Avenue CHICAGO
110 State Street BOSTON
Bergen Building PHILADELPHIA
Griswold and Fort Sts. DETROIT
307 Reed Street MILWAUKEE
California and Front Sts. SAN FRANCISCO
Henry Bldg. SEATTLE

New York, June 28, 1919. 191

M Atlantic Air Brake Co.,
Cleveland, Ohio.

To CALDWELL & COMPANY, Dr.
FOREIGN FORWARDERS. FREIGHT & CUSTOM HOUSE BROKERS.
MARINE INSURANCE
50 BROAD STREET, NEW YORK

In making remittances, claims or inquiries refer to our Way Bill No. 40584

Your Reference _____ B/L No. _____ Department _____

Kindly remit in New York Exchange or its equivalent when paying this account, as Banks charge collection fees on out-of-town checks.

	MARK &	To charges on shipment per S/S CEDRIC, June 30, 1919.				
	CONSIGNEE					
		Inland Freight,				
	L A	Transfer Charges,				
	13089	Freight Charges, New York to Sheffield,				
	Company,					
	SHEFFIELD,	23,029# @ $1.30	299.	58		
	#1/30.					
		Insurance $18,500. @ 3/8 of 1%	61.	88		
		Marking				
		Inspection				
		Storage				
		Consular Fees $ Legalization $				
		Forwarding Charge & Services	2.	00		
		Issuing Bills of Lading	1.	50		
		Issuing Customs Clearance		50		
		Commission				
		Brokerage				
		Shippers' C. O. D.				
		Collection, Discount Fees			$365.	46
		Telegrams, Cables & Postage				

FORM 60.—FORWARDER'S EXPENSE BILL

The space calling for a statement of inland freight from Cleveland to New York remained blank in this transaction because it was prepaid by the shipper. No transfer charges were billed to the shipper because the shipment was lightered by the railroad without special charge. No charges for marking, storage, inspection, shipper's C. O. D., collection discount, telegrams, cables and postage were billed because expenses of this nature did not need to be incurred in connection with this shipment. No consular fees were incurred because none are required under the consular regulations of England. The space for commissions

remained blank as no special commission was charged for forwarding this consignment, and no brokerage was charged because when this shipment was made the steamship companies, some of whom had discontinued the payment of brokerage to ocean freight forwarders during the war, were again paying brokerage.

The forwarder's expense bill serves as an itemized bill to the shipper and as the basis for settlement with him. It also serves as a basis for the forwarder's accounts in so far as charges and costs are charged to the shipper instead of the consignee. The waybill and expense bill enable the forwarder's accounting staff to keep account of his freight forwarding transactions.

CHAPTER XII

TIME CHARTER PARTIES

When the owner of a tramp vessel through a ship broker, operating manager or directly through his own immediate organization charters a vessel to a shipper, steamship line or vessel-operating concern of any kind, the underlying document known as a charter or "Charter party" is executed. Shippers need to understand the nature of this document when they utilize the ocean tramp service; and regular steamship lines, industrial steamship concerns, and other steamship operators when they supplement their own vessels with additional vessels not owned by them. The owners of tramp vessels are vitally concerned with charter parties because their principal business is to charter their vessels, and their profits depend upon the terms contained in these documents. Freight forwarders, too, are concerned with charter parties in so far as the cargoes which they handle are shipped in vessels chartered by them or by the shippers whom they represent. Ship brokers require the knowledge of experts with respect to charters, as it is through brokers that most charter arrangements are made.

Two general types of charters are used in ocean shipping as conducted by private ship owners in their customary dealings with each other or with steamship operators, shippers, forwarders and brokers: time charters extending throughout an agreed period of time or indicated number of voyages, and trip charters covering a single voyage. Within each group or general type there are many variations, although the efforts of vessel owners' associations, maritime exchanges, grain exchanges and other trade associations, and the customs gradually developing at groups of ports, in defined sections of the commercial world or in particular trades have instilled a degree of uniformity as to their principal conditions. Owners and charterers may, however, come to special agreement as to compensation, the risks, expenses or duties assumed or performed by each, and in re-

gard to other conditions inserted into the charter party signed by them or their agents.

FORM 61A.—TIME CHARTER PARTY (PRE-WAR CONDITIONS)

TIME CHARTER [1]

BOWRING & CO.

17 BATTERY PLACE

NEW YORK

GOVERNMENT FORM

THIS CHARTER PARTY, made and concluded upon in the City of New York, the *28th* day of *May, 1912*, between *Messrs.* ..... *& Co., London*, Agents for Owners of the good *Norwegian* Screw Steamship *now building and to be named* ..... of ..... [tons net register, having engines of] ..... [nominal horse power provided with proper certificate for hull and machinery.] and classed, *1-A-1* at *Nor. Veritas* of about *according to plan* [about]..... cubic feet capacity and *9000* tons dead weight or thereabouts on Lloyd's Summer freeboard inclusive of bunkers, which are of the capacity of about ..... tons of coal, and stores now *expected to be ready in the Tyne, September or October, 1912* and *Messrs.* ..... *S. S. Line*, Charterers of the City of *New York*.

WITNESSETH, 1. That the said owners agree to let, and the said Charterers agree to hire the said steamship from the time of delivery, for ..... *years*. Steamer to be placed at the disposal of the Charterers, at *a port in Tyne*, in such dock or at such wharf or place (where she may always safely lie afloat at all times of tide) as the Charterers may direct and being on her delivery ready to receive cargo, and tight, staunch, strong and in every way fitted for the service, having water ballast, steam winches and donkey boiler with capacity to run all the steam winches at one and the same time, and with full complement of officers, seamen, engineers, and firemen for a vessel of her tonnage and to be so maintained during the continuation of this Charter Party, to be employed in carrying lawful merchandise, including petroleum or its products, in cases, and passengers so far as accommodations will allow (but any expense necessary to fit the steamer to comply with United States Passenger Inspection laws to be borne by the Charterers) in such lawful trades between safe port and/or ports in British North America and/or United States of America and/or West Indies and/or Central America and/or Caribbean Sea and/or Gulf of Mexico and/or America and/or Europe and/or Africa and/or Asia [and/or Australia] excluding River St. Lawrence from October 1, to May 1, (White Sea, Black Sea, and the Baltic out of season) Magdalena River and all unsafe ports, *excluding St. Lawrence Coal trade, excluding regular ore trade, excluding Australia, excluding West Coast North America Coasting trade*, as the Charterers or their Agents shall direct on the following conditions:

2. That the owner shall provide and pay for all provisions, wages and Consular shipping and discharging fees of the Captain, Officers, Engineers, Firemen and Crew; shall pay for the insurance of the vessel, also for all the cabin, deck, engine-room and other necessary stores, and maintain her in a thoroughly efficient state in hull and machinery for and during the service.

3. That the Charterers shall provide and pay for all the Coals, Fuels, Port Charges, Pilotages, Agencies, Commissions, Consular Charges (except those pertaining to the captain, officers or crew), and all other Charges whatsoever, except those before stated. Charterers are to provide necessary dunnage and shifting boards, but owner to allow them the use of the dunnage and shifting boards already aboard steamer.

4. That the Charterers shall accept and pay at once on delivery of steamer for all Coal in the steamers Bunkers on delivery and the Owners shall, on expiration of the Charter Party, pay for all Coal left in the Bunkers, each at the current market prices at the respective Ports where she is delivered to them.

5. That the Charterers shall pay for the use and hire of the said vessel *fourteen hundred and eighty pounds* (*£1480*) British Sterling per Calendar Month, commencing on and from the day of her delivery, as aforesaid, and at and after the same rate for any part of a month; hire to continue until her redelivery in like good order and condition to the Owners (unless lost) at *a port in U. K. or on the Continent between Bordeaux and Hamburg* (*Rouen excluded*) at Charterers' option.

6. That should the steamer be on her voyage towards the port of return delivery at the time a payment of hire becomes due, said payment shall be made for such a length of time as the owners or their agents, and Charterers, or their agents may agree upon, as the estimated time necessary to complete the voyage, and when the steamer is delivered to owner's agents any difference shall be refunded by steamer or paid by Charterers, as the case may require.

7. Payment of said hire to be made in cash at the current short sight rate of Exchange, or in approved Banker's sight bills on London, at owner's option ..... monthly in advance, or as agreed, and in default of such payment the Owners shall have the faculty of withdrawing the said steamer from the service of the Charterers, without prejudice to any claim they (the Owners) may otherwise have on the Charterers in pursuance of this Charter.

8. That the Charterers are to pay for victualling passengers at the rate of 5/ Br. Sterling per day for first class passengers, 2/6 for second class passengers, and 1/3 for laborers or steerage passengers.

9. That the cargo or cargoes are to be laden and/or discharged in any dock or at any wharf or place that the Charterers or their Agents may direct, provided the steamer can always safely lie afloat at any time of tide.

10. That the whole reach of the Vessel's Holds, Decks, and usual places of loading and accommodation of the ship (not more than she can reasonably stow and carry), shall be at the Charterers' disposal, reserving, only proper and sufficient space for ship's officers, crew, tackle, apparel, furniture, provisions, stores and fuel. That the Captain shall use all diligence in caring for the ventilation of the cargo.

[1] Clauses in [ ] were omitted from the printed form; those in italics were put in with typewriter.

FORM 61A.—TIME CHARTER PARTY (PRE-WAR CONDITIONS) (*Continued*)

11. That the Captain shall prosecute his voyage with the utmost despatch, and shall render all customary assistance with Ship's crew, taekle, and boats. That the Captain (although appointed by the owners) shall be under the orders and direction of the Charterers as regards employment, agency, or other arrangements: and the Charterers hereby agree to indemnify the owners from all consequences or liabilities that may arise from the Captain signing Bills of Lading or otherwise complying with the same.

12. That if the Charterers shall have reason to be dissatisfied with the conduct of the Captain, Officers or Engineers, the Owner shall, on receiving particulars of the complaint, investigate the same, and if necessary, make a change in the appointment.

13. That the Charterers shall have permission to appoint a super-cargo who shall accompany the steamer and see that voyages are prosecuted with the utmost despatch. He to be furnished free of charge, with first class accommodations, and same fare as provided for captain's table.

14. That the Master shall be furnished from time to time with all requisite instructions and sailing directions, and shall keep a full and correct Log of the voyage or voyages, which are to be patent to the Charterers or their Agents, and to furnish the Charterers, their Agents or Super-Cargo, when required, a true, daily copy of Log, showing the course of steamer and distanee run, and the consumption of coal.

15. [That the Charterers have the option of continuing this charter for a further period of] .....[on giving notice thereof to the owners or their agents].....[days previous to the expiration of the first named term, or any declared option.] Charterers to have the option of sub-letting the steamer for all or any part of the time covered by this charter.

16. That if required by Charterers, time not to commenee before..... and should Steamer not be ready for delivery at port of delivery on or before..... Charterers or their agents to have the option of Cancelling this charter at any time not later than the day of Steamer's readiness.

17. That in the event of loss of time from deficiency of men or stores, or from any defect of break-down of machinery, steering apparatus, etc., or damage from fire, collision, stranding or damage which prevents the working of or the continuanee on the voyage of the Vessel for twenty-four consecutive hours or more, the payment of hire shall cease from the commencement of the loss of time till she again resume actual service for Charterers, tight, staunch and strong, and in every way fitted at the place of accident, or should the Vessel put back from any of the above-mentioned causes or put into any other port than that to which she is bound, the hire shall be suspended from the time of her putting back or putting in until she be again in the same position and the voyage resumed therefrom, and the port charges and pilotages at such port shall be borne by Steamer's Owners. Owners are also to pay Charterers for the value of any of Charterer's bunker coals that are consumed while the steamer is off hire, based on the current price of bunker coal trimmed into bunkers at the port steamer is in when off hire, but if steamer is at sea when off hire occurs, theu price to be based on current rate at the port steamer is first in after her period off hire. Also, if any loss of time is incurred through fault of ship, after cargo and coals are on board, or cargo discharged and ship ready for sea as far as Charterers are concerned and hour of sailing has been fixed by Charterers and reasonable notice given to Captain, such lost time is to be for Steamer's account; but should the Vessel be driven into port or anchorage through stress of weather, or from any accident to the eargo, such detention or loss of time shall be at the Charterer's risk and expense. If upon the voyage the Steamer's speed be reduced by break-down of machinery or other casualty, the time lost and the cost of the extra coal, if any, consumed in consequence thereof shall be borne by the Owners.

18. That should the Vessel be lost, freight paid in advanee and not earned (reckoning from the date of her last being heard from) shall be returned to the Charterers. The act of God, enemies, fire, restraint of Princes, Rulers and the People, and all dangers and accidents of the Seas, River, Machinery, Boilers, Steam Navigation and errors of Navigation, throughout this Charter Party, always mutually excepted.

19. That should any dispute arise between the Owners and the Charterers, the matter in dispute shall be referred to three persons in New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision, or that of any two of them, shall be final, and for the purpose of enforcing any award, this agreement may be made a rule of the Court.

20. That the Owners shall have a lien upon all cargoes and all sub-freights, for any amounts due under this Charter, and the Charterers to have a lien on the Ship for all moneys paid in advance and not earned.

21. That all derelicts and salvages shall be for owners' and Charterers' equal benefit. General Average, if any, to be according to York-Antwerp rules, 1890.

22. *Charterers agree to arrange employment so as to enable steamer to dock in the United Kingdom or on the Continent not more than once in nine (9) months.* [That as the steamer may be from time to time employed in tropical waters during the term of this Charter, steamer is to be docked, bottom cleaned and painted whenever Charterers and Master think necessary, at least once in every six months,] and payment of the hire to be suspended until she is again in proper state for the service.

23. That the owners are to provide ropes, falls, slings and blocks, necessary to handle ordinary eargo up to three tons (of 2240 lbs. each) in weight, also lanterns for night work.

24. Steamer to work night and day if required by Charterers, and all steam winches to be at Charterers disposal during loading and discharging, and steamer to provide men to work same both day and night as required, Charterers agreeing to pay for all night work, at the current local rate.

25. It is also mutually agreed, that this charter is subject to all the terms and provisions of and all the exemptions from liability contained in the Act of Congress of the United States, approved on the 13th day of February, 1893, and entitled "An Act relating to Navigation of Vessels, etc."

26. A commission of Five per cent. upon the gross amount of this Charter and the usual freight brokerage, payable by the steamship and owners, due to .....AND COMPANY, upon the signing hereof, steamship lost or not lost, and also upon any renewal or extension of this Charter or on sale of Vessel.

27. An address Commission of 2½ per cent. payable to .....
Steamship Line.

28. Penalty for non-performance of this Contract, estimated amount of damages.

(*Signed*) ..... *& Company*

.....

(*Signed*) ..... Witness to the signature of { By Cable authority from *Messrs*..... *& Co.* dated at *London, May 28th, 1912.*

Witness to the signature of (*Signed*).....

A true Copy of the Original Charter Party.

.....

.....

Agents.

FORM 61B.—TIME CHARTER PARTY (WAR CONDITIONS)

TIME CHARTER[1]

BOWRING & CO.

17 BATTERY PLACE

NEW YORK

GOVERNMENT FORM

THIS CHARTER PARTY, made and concluded upon in the City of New York, the *22d* day of *May, 1918*, between *Messrs*..... *Managing* Agents for Owners of the good *Danish* Screw Steamship..... of..... of *1755* tons gross register, and *1095* tons net register, having engines of ..... nominal horse power provided with proper certificate for hull and machinery, and classed, *first class* of about ..... cubic feet capacity and about *2274* tons dead weight or thereabouts on Lloyd's Summer freeboard inclusive of bunkers, which are of the capacity of about..... tons of coal, and stores water, etc., now *trading account*.....*Line* and ..... Charterers of the City of *Washington*.

Witnesseth, 1. That the said owners agree to let, and the said Charterers agree to hire the said steamship from the time of delivery, for *one (1) round trip within the undermentioned limits, said voyage to occupy about six (6) weeks*. Steamer to be placed at the disposal of the Charterers, *when and where steamer is redelivered by the Munson S. S. Line, under the charter to them dated April 29th, 1918; it being understood that this charter is for direct continuation and that there shall be no interruption of time between the two charterers* [in such dock or at such wharf or place (where she may always safely lie afloat at all times of tide) as the Charterers may direct] and being on her delivery ready to receive cargo, and tight, staunch, strong and in every way fitted for the service, having water ballast, steam winches and donkey boiler with capacity to run all the steam winches at one and the same time, and with full complement of officers, seamen, engineers, and firemen for a vessel of her tonnage and to be so maintained during the continuation of this Charter Party, to be employed in carrying lawful merchandise, *excluding arms, ammunitions, explosives and injurious cargo*, [including petroleum or its products, in cases, and passengers so far as accommodations will allow (but any expense necessary to fit the steamer to comply with United States Passenger Inspection laws to be borne by the Charterers)] in such lawful trades between safe port and/or ports in [British North America and/or] United States of America and/or West Indies and/or Central America and/or Caribbean Sea and/or Gulf of Mexico and/or South America not *South of Demerara* [Europe and/or Africa and/or Asia and/or Australia excluding River St. Lawrence from October 1, to May 1, (White Sea, Black Sea, and the Baltic out of season) Magdalena River and all unsafe ports] *excluding Magdalena River and all unhealthy, unsafe and dangerous ports and rivers and ports where hostilities are in progress*, as the Charterers or their Agents shall direct on the following conditions:

2. That the owner shall provide and pay for all provisions, wages and Consular shipping and discharging fees of the Captain, Officers, Engineers, Firemen and Crew; shall pay for the insurance of the vessel, also for all the cabin, deck, engine-room and other necessary stores, and maintain her in a thoroughly efficient state in hull and machinery for and during the service.

3. That the Charterers shall provide and pay for all the Coals, Fuels, Port Charges, Pilotages, Agencies, Commissions, Consular Charges (except those pertaining to the captain, officers, or crew) and all other Charges whatsoever, except those before stated. Charterers are to provide necessary dunnage and shifting boards, but owner to allow them the use of the dunnage and shifting boards already aboard steamer.

4. That the Charterers shall accept and pay at once on delivery of steamer for all Coal in the steamers Bunkers on delivery and the Owners shall, on expiration of the Charter Party, pay for all Coal left in the Bunkers, each at the current market prices at the respective Ports where she is delivered to them.

5. That the Charterers shall pay for the use and hire of the said vessel *Thirty-five shillings (35/) on steamer's total dead weight capacity on Summer marks*. British Sterling per Calendar Month, commencing on and from the day of her delivery, as aforesaid, and at and after the same rate for any part of a month; hire to continue until her redelivery in like good order and condition to the Owners (unless lost) at *a port in the United States North of Hatteras but not east of New York*, at Charterers' option.

6. That should the steamer be on her voyage towards the port of return delivery at the time a payment of hire becomes due, said payment shall be made for such a length of time as the owners or their agents, and Charterers, or their agents may agree upon, as the estimated time necessary to complete the voyage, and when the steamer is delivered to owner's agents any difference shall be refunded by steamer or paid by Charterers, as the case may require.

7. Payment of said hire to be made in cash *at New York* at the current short sight rate of Exchange, [or in approved Bankers' sight bills on London, at owner's option] *semi*-monthly in advance, or as agreed, and in default of such payment the Owners shall have the faculty of withdrawing the said steamer from the service of the Charterers, without prejudice to any claim they (the Owners) may otherwise have on the Charterers in pursuance of this Charter.

8. [That the Charterers are to pay for victualling passengers at the rate of 5/ Br. Sterling per day for first class passengers, 2/6 for second class passengers, and 1/3 for laborers or steerage passengers.]

9. That the cargo or cargoes are to be laden and/or discharged in any dock or at any wharf or place that the Charterers or their Agents may direct, provided the steamer can always safely lie afloat at any time of tide.

10. That the whole reach of the Vessel's Holds, Decks, and usual places of loading, and accommodation of the ship (not more than she can reasonably stow and carry), shall be at the Charterers' disposal, reserving, only proper and sufficient space for ship's officers, crew, tackle, apparel, furniture, provisions, stores and fuel. That the Captain shall use all diligence in caring for the ventilation of the cargo.

11. That the Captain shall prosecute his voyage with the utmost despatch, and shall render all customary assistance with Ship's crew, tackle, and boats. That the Captain (although appointed by the owners) shall be under the orders and direction of the Charterers as regards employment, agency, or other arrangements; and the Charterers hereby agree to indemnify the owners from all consequences of liabilities that may arise from the Captain signing Bills of Lading or otherwise complying with the same.

12. That if the Charterers shall have reason to be dissatisfied with the conduct of the Captain, Officers or Engineers, the Owner shall, on receiving particulars of the complaint, investigate the same, and if necessary, make a change in the appointment.

[1] Clauses enclosed in [ ] were eliminated from the printed form; those in italics were inserted with typewriter.

FORM 61B.—TIME CHARTER PARTY (WAR CONDITIONS)—(*Continued*)

13. [That the Charterers shall have permission to appoint a super-cargo who shall accompany the steamer and see that voyages are prosecuted with the utmost despatch. He to be furnished free of charge, with first class accommodations, and same fare as provided for captain's table.]

14. That the Master shall be furnished from time to time with all requisite instructions and sailing directions, and shall keep a full and correct Log of the voyage or voyages, which are to be patent to the Charterers or their Agents, and to furnish the Charterers, their Agent or Super-Cargo, when required, a true, daily copy of Log, showing the course of steamer and distance run and the consumption of coal.

15. *It is agreed that steamer is to be docked bottom cleaned and painted before she enters on delivery hereunder unless this has been done within the last six months from date hereof.* [That the Charterers have the option of continuing this charter for a further period of.....on giving notice thereof to the owners or their agents.....days previous to the expiration of the first named term, or any declared option]. Charterers to have the option of sub-letting the steamer for all or any part of the time covered by this charter.

16. [That if required by Charterers, time not to commence before..... and should Steamer not be ready for delivery at port of delivery on or before..... Charterers or their agents to have the option of Cancelling this charter at any time not later than the day of Steamer's readiness.]

17. That in the event of loss of time from deficiency of men or stores, or from any defect of break-down of machinery, steering apparatus, etc., or damage from fire, collision, stranding or damage which prevents the working of or the continuance on the voyage of the Vessel for twenty-four consecutive hours or more, the payment of hire shall cease from the commencement of the loss of time till she again resume actual service for Charterers, tight, staunch and strong, and in every way fitted at the place of accident, or should the Vessel put back from any of the above-mentioned causes or put into any other port than that to which she is bound, the hire shall be suspended from the time of her putting back or putting in until she be again in the same position and the voyage resumed therefrom, and the port charges and pilotages at such port shall be borne by Steamer's Owners. Owners are also to pay Charterers for the value of any of Charterers' bunker coals that are consumed while the steamer is off hire, based on the current price of bunker coal trimmed into bunkers at the port steamer is in when off hire, but if steamer is at sea when off hire occurs then price to be based on current rate at the port steamer is first in after her period off hire. Also, if any loss of time is incurred through fault of ship, after cargo and coals are on board, or cargo discharged and ship ready for sea as far as Charterers are concerned and hour of sailing has been fixed by Charterers and reasonable notice given to Captain, such lost time is to be for Steamer's account; but should the Vessel be driven into port or anchorage through stress of weather, or from any accident to the cargo, such detention or loss of time shall be at the Charterers' risk and expense. If upon the voyage the Steamer's speed be reduced by break-down of machinery or other casualty, the time lost and the cost of the extra coal, if any, consumed in consequence thereof shall be borne by the Owners.

18. That should the Vessel be lost, freight paid in advance and not earned (reckoning from the date of her last being heard from) shall be returned to the Charterers. The act of God, enemies, fire, restraint of Princes, Rulers and the People, and all dangers and accidents of the Seas, River, Machinery, Boilers, Steam Navigation and errors of Navigation, thr ughout this Charter Party, always mutually excepted.

19. That should any dispute arise between the Owners and the Charterers, the matter in dispute shall be referred to three persons in New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision, or that of any two of them, shall be final, and for the purpose of enforcing any award, this agreement may be made a rule of the Court.

20. That the Owners shall have a lien upon all cargoes and all sub-freights, for any amounts due under this Charter, and the Charterers to have a lien on the Ship for all moneys paid in advance and not earned.

21. That all derelicts and salvages shall be for owners' and Charterers' equal benefit. General Average, if any, to be according to York-Antwerp rules, 1890.

22. [That as the steamer may be from time to time employed in tropical waters during the term of this Charter, steamer is to be docked, bottom cleaned and painted whenever Charterers and Master think necessary, at least once in every six months, and payment of the hire to be suspended until she is again in proper state for the service.]

23. That the owners are to provide ropes, falls, slings and blocks necessary to handle ordinary cargo up to three tons (of 2240 lbs. each) in weight, also lanterns for night work.

24. Steamer to work night and day if required by Charterers, and all steam winches to be at Charterers' disposal during loading and discharging, and steamer to provide men to work same both day and night as required, Charterers agreeing to pay for all [night work, at the current local rate] *overtime of officers and crew, shore winchmen, if required, to be for Charterers' account.*

25. It is also mutually agreed, that this charter is subject to al. the terms and provisions of and all the exemptions from liability contained in the Act of Congress of the United States, approved on the 13th day of February, 1893, and entitled "An Act relating to Navigation of Vessels, etc."

26. A commission of Five per cent. upon the gross amount of this Charter and the usual freight brokerage, payable by the steamship and owners, due to ..... AND COMPANY, upon the signing hereof, steamship lost or not lost, and also upon any renewal or extension of this Charter or on sale of Vessel.

27. An address Commission of 2½ per cent. payable to.....

28. Penalty for non-performance of this Contract, estimated amount of damages.

(*Signed*) .....

Witness to the signature of { .....
By Cable authority from ..... & Co.
date at *London, May 23d, 1918.*
(*Signed*) *UNITED STATES SHIPPING BOARD,*
Chartering Committee,
WELDING RING,
Chairman.

Witness to the signature of
A true Copy of the Original Charter Party.

Agents.

NOTE:—*This charter is subject to owners' securing approval of same from the Interallied Chartering Executive and also securing license for the voyage from the Danish Government.*

In event of war conditions steamer has liberty to proceed via any route to destination and to deviate in the course of the voyage to avoid capture, destruction, s izure, etc., and if at any time owners deem it unsafe for vessel to leave port, owners to have privilege of delaying departure for a reasonable time, such delay to be for owners' account.

In the event of the Danish Government requisitioning this steamer this Charter becomes null and void.

In the event of the vessel loading on the berth and/or loading general cargo the charterers shall bear the first £100 on any cargo of claims arising from improper stowage, hort delivery (whether from pilferage or any cause whatsoever) and over carriage for which there may be responsibility on the part of the ship owner and if the ship owner shall from any cause have to pay such claims in the first instance he shall be indemnifica by the charterers up to the extent of the said £100.

Commercial Time Charters

The reader is urged to read carefully the conditions contained in the time charter reproduced in Form 61, for it is typical of the time forms commonly used at American ports when a vessel owner, or a time charterer who is willing to sublet a vessel leases or charters a steamer to a charterer. It is, moreover, the time charter that was approved by the Government during the war. In this charter the vessel, which is identified by name, home port, gross and net register tonnage, nominal horse-power, cubic feet and dead weight capacity, proper inspection certificate covering hull and machinery, and specified classification rating, is chartered by the undersigned owner or his agents to the undersigned charterer for an agreed period of time, subject to the charterer's continuing it for a further specified period. A time charter's duration may be variously established for a more or less fixed period of months or years or as was at times done during the war, for the duration of the war; or it may cover an agreed number of voyages in a defined trade. In the latter case the estimated time required to make such voyages is usually stated, the owner reserving the right to terminate the charter if it becomes clear that the last round trip voyage provided for in the charter could not be completed within the period of time specified.

The typical time charter reproduced in Form 61a further provides that the vessel will be placed at the disposal of the charterer at a designated port; that it will be in fit condition to receive cargo, and that it will, during the life of the charter, be maintained in a seaworthy condition and with a full complement of officers and crew. The charterer is authorized to transport general merchandise, including petroleum or its products, and passengers so far as accommodations permit, in lawful trades between safe ports in the United States or British North America and the West Indies, Central America, the Caribbean Sea, Mexico, the Gulf of Mexico, South America, Europe, Africa, Asia, and Australia, but excluding the St. Lawrence River from Oct. 1st to May 1st, the White, Black and Baltic Seas out of season, the Magdalena River and all unsafe ports.

The vessel is to be operated under direction of the charterer

or his agent subject to 28 numbered conditions. Special attention is called to the clauses covering the charter rate or hire which is to be paid by the charterer to the owner. The usual practice in seagoing traffic under a time charter covering a cargo vessel is the payment of a fixed amount per deadweight ton per calendar month. The basis, it will be noted, is the deadweight capacity of the vessel regardless of the amount of cargo carried. In case of a passenger steamer the time charter payment is more commonly based upon the vessel's gross register tonnage. Payment may, however, in either case be fixed on a lump sum basis.

An additional clause prescribes the mode of payment, the time charter reproduced in Form 61a providing that it shall be "in cash at the current short sight rate of exchange, or in approved bankers' sight bills on London . . . monthly in advance, or as agreed." The corresponding clause in a time form approved by the New York Produce Exchange, Nov. 6, 1913, provides that payment is to be "made in New York in cash at the current short sight rate of exchange, or in approved bankers' sight bills on London, at owner's option, semi-monthly, in advance, and for the last half month or part of same the approximate amount of hire, and should same not cover the actual time, hire is to be paid for the balance day by day, as it becomes due, if so required by owners, unless bank's guarantee or deposit is made by the charterers." In case of default of payment the owner has the right to withdraw his vessel from the service of the charterer without prejudice to any claim the owner may have under the terms of the charter party. In the event of loss of time due to deficiency of men or stores, breakdown of machinery, stranding, fire or damage preventing the operation of the vessel, the time charter in Form 61a provides that, if the loss of time exceeds twenty-four consecutive hours, payment of the hire is discontinued from the commencement of the loss of time until the vessel is again in an efficient state to resume the service. Should the vessel be lost, all freight paid in advance and not earned up to the date of the vessel last being heard of is to be returned to the charterer. The owner has a lien on the cargo and on all sub-freights for amounts due him; and the charterer has a lien on the vessel for amounts paid in advance and not earned.

The time charter reproduced in Form 61a next proceeds to divide between the owner and charterer the expenses and responsibility connected with the operation of the vessel. The owner, who receives pay for the use of his vessel, is obliged to pay all the wages of the officers and crew who as stated above are provided by him, and all consular fees incurred in shipping and discharging the officers and crew. He is also required to provide and pay for all provisions for their use, all necessary ship's stores, and the insurance on the vessel. He further agrees to maintain the hull and ship's machinery in an efficient state.

The charterer who pays the amount of hire agreed upon is required to provide and pay for all bunker coal or other fuel; all port charges and consular fees other than the consular fees connected with the shipping and discharging of officers and crew; also pilotage charges, agencies, commissions and all other charges except those specifically delegated to the owner in the charter. The clauses regarding fuel provide further that the charterer accepts and pays for any coal in the bunkers on delivery, while the owner similarly accepts and pays for all coal left in the bunkers on the expiration of the time charter. The charterer's obligation to pay pilotage and port charges is modified by a special clause to the effect that in case the vessel puts into port other than the one to which she is bound because of deficiency of men or stores, breakdown of machinery, stranding, fire or damage preventing the working of the vessel, pilotage and port charges there incurred shall be paid by the owner. If the vessel is driven into port or to anchorage by stress of weather or accident to cargo the charterer's obligation to pay, however, remains effective.

The charterer may use whatever dunnage is on board the vessel at time of delivery, but he is required to provide any additional dunnage that may be necessary. If passengers are carried, the charterer is also required to pay passenger victualing costs at agreed rates per passenger per day, the amount varying for first class, second class and steerage passengers.

Time charters in addition contain various clauses further defining the rights and duties of the owner, charterer and master of the vessel. The "whole reach" of the vessel's holds, deck and usual places of loading and accommodation are at the disposal

of the charterer, excepting such parts as are needed for officers and crew, tackle, apparel, furniture, provisions, stores and fuel, and excepting also that the cargo may not exceed what the vessel can reasonably stow and carry. The captain is required to prosecute the voyage of the vessel with the utmost dispatch; to render all customary assistance with the crew, tackle and boats; to keep a full and correct log of all voyages open to the inspection of the charterer or his agent and furnish a daily log to the charterer, his agent, or super cargo showing the course of the steamer, the distances run and fuel consumption; and to use all diligence in caring for the ventilation of cargo. The captain shall be under the orders and direction of the owner as regards employment, agency or other arrangements, the owners, however, being indemnified against consequences arising from the signing of bills of lading by the captain or other arrangements entered into by order of the charterer. Should the charterer be dissatisfied with the conduct of the captain, officers or engineers the owners shall investigate complaints and if necessary expect a change. In the time charter reproduced in Form 61a, the charterer is given the right to sublet the vessel, and to appoint a supercargo who is to be furnished with first-class accommodations free of charge. If the steamer is not ready for delivery to the charterer on or before an agreed date he may under the so-called cesser's or cancellation clause cancel the charter at any time not later than the day of the steamer's readiness.

Should any dispute arise between owner and charterer, provision is made for the appointment of a board of three persons, the majority decision of whom shall be binding. As the steamer may from time to time be employed in tropical waters, provision is made for the docking of the vessel at least once every six months to be bottom cleaned and painted, or more frequently if the charterer and captain think necessary, and when so docked the payments by charterer to owner are suspended until the vessel is again fit for service. The owner is required to provide ropes, falls, slings and blocks necessary to handle ordinary cargo up to three tons in weight, and lanterns for night work. If the charterer requires, the steamer is to work night and day, and all steam winches and sufficient men to work them are to be at the disposal of the charterer, who agrees to pay for night work at

the current local rate. Derelicts and salvage are to be for the mutual benefit of the owner and charterer. "Acts of God, enemies, fire, restraint of Princes, Rulers and People, and all dangers and accidents of the seas, river, machinery, boilers, steam navigation, and errors of navigation, throughout this charter party," are always mutually excepted, and the charter is also governed by the provisions of and the exemptions from liability contained in the Harter Act of Feb. 13, 1893.[1]

A penalty clause providing for the estimated amount of damages in case of non-performance of contract is added. A commission or brokerage clause requires the vessel owner to pay the ship broker who effected the charter a 5 per cent. commission on the gross amount of the charter and the usual freight brokerage, whether the vessel is lost or not lost, upon the signing of the charter and also upon any extension or renewal of the charter of sale of the vessel. An address commission clause provides for the payment of a 2½ per cent. commission for attending to the ship's business in port.

FORM 62.—NEW YORK PRODUCE EXCHANGE TIME CHARTER PARTY

SPEED ABOUT 9 KNOTS
CONSUMPTION ABOUT 30 TONS GOOD COAL

TIME CHARTER[2]

BOWRING & CO.

17 BATTERY PLACE

NEW YORK

SHIP BROKERS AND STEAMSHIP AGENTS AND GENERAL COMMISSION MERCHANTS

GOVERNMENT FORM

Approved by the New York Produce Exchange, November 6th, 1913

THIS CHARTER PARTY made and concluded upon in the City of *London*, the *25th* day of *April, 1916*, Between *Messrs. The* .....*Co. of New York Disponents* [Agents for Owners] of the good *English* Screw Steamship .....of *London*, of *4848* tons gross register, and *3171* tons net register, having engines of *403* nominal horse power and with hull, machinery and equipment in a thoroughly efficient state, and classed *100 A1* at *Lloyd's* of about *390,000* cubic feet [grain] *bale* capacity *excluding 300 tons permanent bunkers* and *about 7900* tons *total* dead weight capacity (cargo and bunkers, including stores [not exceeding fifty tons) on Lloyd's Summer freeboard, inclusive of permanent bunkers, which are of the capacity of about .....tons of coal] now *trading* and *Messrs.* ..... *& Co.*, Charterers of the City of *London*.

WITNESSETH, That the said Owners agree to let, and the said Charterers agree to hire the said Steamship from the time of delivery, for [about] *a voyage from Calcutta to the States (via Cape or Panama Canal) between Cape Hatteras and Boston, both inclusive, calling at usual coaling stations.* Charterers to have liberty to sublet the Steamer for all or any part of the time covered by this Charter, but Charterers remaining responsible for the fulfilment of this Charter Party.

Steamer to be placed at the disposal of the Charterers, at *Calcutta*, in such dock or at such wharf or place (where she may always safely lie afloat, at all times of tide), as the Charterers may direct, and being on her delivery ready to receive cargo with clean-swept holds and tight, staunch, strong and in every way fitted for the service, having water ballast, steam winches and donkey boiler with capacity to run all the steam winches at one and the same time (and with full complement of officers, seamen, engineers and firemen for a vessel of her tonnage), to be employed, in carrying lawful merchandise, including petroleum or its products, and passengers so far as accommodations will allow (but any expense necessary to fit the steamer to comply with United States Passenger Inspection laws to be borne by Charterers) in such lawful trades, [between safe port and/or ports in British North America, and/or United States of America, and/or West Indies, and/or Central America, and/or Caribbean

[1] *See* Manual on *Marine Insurance*, by S. S. Huebner.
[2] Clauses enclosed in [ ] were eliminated from the printed form; those in italics were inserted with typewriter.

FORM 62.—NEW YORK PRODUCE EXCHANGE TIME CHARTER PARTY (*Continued*)

Sea, and/or Gulf of Mexico, and/or Mexico, and/or South America] *as above* [and/or Europe, and/or Africa, and/or Asia, and/or Australia, excluding River St. Lawrence from October 1st to May 1st, White Sea, Black Sea and the Baltic out of season, Magdalena River, and all unsafe ports:]

.....

as the Charterers or their Agents shall direct, on the following conditions:

1. That the Owners shall provide and pay for all provisions, wages and Consular shipping and discharging fees of the Captain, Officers, Engineers, Firemen and Crew; shall pay for the insurance of the vessel, also for all the cabin, deck, engine-room and other necessary stores, and maintain her class and keep the steamer in a thoroughly efficient state in hull, machinery and equipment for and during the service.

2. That the Charterers shall provide and pay for all the Coals except as otherwise agreed, Port Charges, Pilotages, Agencies, Commissions, Consular Charges (except those pertaining to the Captain, Officers or Crew), and all other usual expenses except those before stated, but when the vessel puts into a port for causes for which steamer is responsible, then all such charges incurred shall be paid by owners, but should vessel be driven into port or to anchorage through stress of weather or any accident to cargo such detention and loss of time to be at Charterers' risk and expense.

Charterers are to provide necessary dunnage and shifting boards but Owners to allow them the use of the dunnage and shifting boards already aboard Steamer. Charterers to have the privilege of using shifting boards for dunnage, they making good for any damage thereto.

3. That the Charterers shall accept and pay for all Coal in the Steamer's Bunkers and the Owners shall, on expiration of this Charter Party, pay for all Coal left in the Bunkers at the current market price at the respective places where she is delivered to them.

4. That the Charterers shall pay for the use and hire of the said Vessel *$70,000 say Seventy thousand U. S. Dollars* [British Sterling] ..... per Calendar Month, commencing on and from the day of her delivery, as aforesaid, and at and after the same rate for any part of a month; hire to continue until the hour of the day of her re-delivery in like good order and condition, ordinary wear and tear excepted, to the Owners (unless lost) at *a port in the States between Cape Hatteras and Boston, both inclusive, in Charterers' option.*

5. Payment of said hire to be made in New York in cash [at the current short sight rate of Exchange, or in approved Bankers' sight bills on London, at Owners' option, semi-] monthly, in advance, and for the last half month or part of same the approximate amount of hire, and should same not cover the actual time, hire is to be paid for the balance day by day, as it becomes due, if so required by Owners, unless bank guarantee or deposit is made by the Charterers, otherwise failing the punctual and regular payment of the hire, or bank guarantee, or any breach of the Charter Party as herein specified, the Owners shall be at liberty to withdraw the vessel from the service of the Charterers, without prejudice to any claim they (the Owners) may otherwise have on the Charterers in pursuance of this charter. Delivery to count from 7 a. m. on the working day following that on which written notice has been given before 4 p. m., but if required by Charterers, loading to commence at once, such time used to count as hire.

6. That the cargo or cargoes be laden and/or discharged in any dock or at any wharf or place that the Charterers or their Agents may direct, provided the Steamer can always safely lie afloat at any time of tide, except at such places where it is customary for similar size steamers to safely lie aground.

7. That the whole reach of the Vessel's Holds, Decks, and usual places of loading and accommodations of the Ship (not more than she can reasonably stow and carry), shall be at the Charterers' disposal, reserving only proper and sufficient space for Ship's officers, crew, tackle, apparel, furniture, provisions, stores and fuel.

8. That the Captain shall prosecute his voyages with the utmost despatch, and shall render all customary assistance with Ship's crew and boats. The Captain (although appointed by the Owners), shall be under the orders and direction of the Charterers as regards employment or agency; and Charterers are to load, stow, and trim the cargo at their expense under the supervision of the Captain, who is to sign Bills of Lading for cargo as presented, in conformity with Mates' or Tally Clerks' receipts. Owners to give Time Charterers the benefit of their Protection and Indemnity Club Insurances to the same extent that Owners themselves would have been protected, and in case of shortage or damage to cargo, Charterers to bear the franchise according to the Club rules, which Owners would have otherwise borne.

9. That if the Charterers shall have reason to be dissatisfied with the conduct of the Captain, Officers, or Engineers, the Owners shall on receiving particulars of the complaint, investigate the same, and, if necessary, make a change in the appointments.

10. That the Charterers shall have permission to appoint a Supercargo, who shall accompany the steamer and see that voyages are prosecuted with the utmost despatch. He is to be furnished, free of charge, with first-class accommodations, and same fare as provided for Captain's table. Provided, Charterers do not use the Supercargo privilege, owners to victual Pilots, Tally Clerks, Stevedore's Foreman, Customs Officers, etc., as customary, free, but if Supercargo privilege is used, Charterers to pay victualing of Pilots, Tally Clerks, etc., at the rate of 25c. per meal.

11. That the Master shall be furnished from time to time with all requisite instructions and sailing directions, and shall keep a full and correct Log of the voyage or voyages, which are to be patent to the Charterers or Agents, and to furnish the Charterers, their Agents or Supercargo, when required, a true daily copy of Logs, showing the course of steamer and distance run and the consumption of coal.

12. That the Master shall use diligence in caring for the ventilation of the cargo.

13. [That the Charterers shall have the option of continuing this charter for a further period of]

.....

[on giving notice thereof to the Owners or their Agents] .....[days previous to the expiration of the first named term, or any declared option.]

14. That if required by Charterers, time not to commence before *25th April, 1916* and should Steamer not be ready for delivery on or before *25th May next,* Charterers or their Agents to have the option of cancelling this Charter at any time not later than the day of Steamer's readiness.

15. That in the event of the loss of time from deficiency of men or stores, fire, breakdown or damages to hull, machinery or equipment, grounding, detention by average accidents to ship or cargo, dry-docking for the purpose of examination or painting bottom, or by any other cause preventing the full working of the vessel for more than 24 consecutive hours the payment of hire shall cease for the time thereby lost; and if upon the voyage the speed be reduced by defect in or breakdown of any part of her hull, machinery or equipment, the time so lost, and the cost of any extra coal consumed in consequence thereof, [and all extra expenses] shall be deducted from the hire.

16. That should the Vessel be lost, money paid in advance and not earned (reckoning from the date of loss or being last heard of) shall be returned to the Charterers at once. The act of God, enemies, fire, restraint of Princes, Rulers and People and all dangers and accidents of the Seas, Rivers, Machinery, Boilers and Steam Navigation, and errors of Navigation throughout this Charter Party, always mutually excepted.

17. That should any dispute arise between Owners and the Charterers, the matter in dispute shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them, shall be final, and for the purpose of enforcing any award, this agreement may be made a rule of the Court.

18. That the Owners shall have a lien upon all cargoes, and all sub-freights for any amounts due under this Charter, and the Charterers to have a lien on the Ship for all moneys paid in advance and not earned, and any overpaid hire or excess deposit to be returned at once.

FORM 62.—NEW YORK PRODUCE EXCHANGE TIME CHARTER PARTY (*Continued*)

19. That all derelicts and salvage shall be for Owners' and Charterers' equal benefit after deducting Owners' and Charterers' expenses and Crews' proportion. General average, if any, to be according to York-Antwerp Rules, 1890.

If the Owners of the ship shall have exercised due diligence to make said ship in all respects seaworthy, and properly manned, equipped and supplied, it is hereby agreed that in case of danger, damage or disaster resulting from fault or negligence of the pilot, master or crew, in the navigation or management of the ship, or from latent or other defects, or unseaworthiness of the ship, whether existing at time of shipment or at the beginning of the voyage, but not discoverable by due diligence, the Consignees or Owners of the cargo shall not be exempted from liability for contribution in General Average, or for any special charges incurred, but with the Shipowner, shall contribute in General Average, and shall pay such special charges, as if such danger, damage or disaster had not resulted from such fault, negligence, latent or other defect, or unseaworthiness.

20. Coals used by steamer while off hire, also for cooking, condensing water for crew's use, or for grates and stoves to be agreed to as to quantity, and the cost of replacing same, to be allowed by Owners.

21. [That as the Steamer may be from time to time employed in tropical waters during the term of this Charter, Steamer is to be docked, bottom cleaned and painted whenever Charterers and Master think necessary, at least once in every six months, reckoning from time of last painting, and payment of the hire to be suspended until she is again in proper state for the service.]

22. Owners shall provide gear (for all derricks) capable of handling lifts up to three tons, and maintain the gear of the ship as fitted, also provide ropes, falls, slings and blocks; but gear for heavier lifts shall be for Charterers' account. Owners also to provide lanterns and oil for nightwork, and steamer to give use of electric light, when so fitted. The Charterers to have the use of any gear on board the steamer.

23. Steamer to work night and day, if required by Charterers, and all steam winches to be at Charterers' disposal during loading and discharging; steamer to provide men to work same day and night, as required, Charterers agreeing to pay winchmen, deck hands and donkeymen for work done between 6 P. M. and 6 A. M. and on Sundays, at the rate of 18c. per hour for winch operators and deckhands, and 20c. per hour for Donkeymen. If the rules of the port, or labor unions, prevent crew from driving winches, shore winchmen to be paid by Charterers. In the event of short steam, or a disabled winch, or winches, Owners to pay for shore engine, or engines, in lieu thereof, if required, and pay any loss of time occasioned thereby.

24. It is also mutually agreed that this Charter is subject to all the terms and provisions of and all the exemptions from liability contained in the Act of Congress of the United States approved on the 13th day of February, 1893, and entitled "An Act relating to Navigation of Vessels, etc." and also subject to the rules governing the Steamship Trade of the New York Produce Exchange.

25. Nothing herein stated is to be construed as a demise of the Steamer to the Time Charterers. The Owners to remain responsible for the navigation of the Steamer, insurance, crew, and all other matters, same as when trading for their own account.

26. A commission of Five per cent. upon the gross amount of this Charter, payable by the Steamship and Owners due to ..... AND COMPANY, upon [the signing hereof] hire as earned Steamship lost or not lost, and also upon any continuation or extension of this Charter or on sale of Vessel.

27. An address commission of 2½ per cent. payable to *Messrs*..... *& Co.*

28. Penalty for non-performance of this Contract, estimated amount of damages.

For and on behalf of the..... by cable authority of Messrs..... & Co., N. Y. { ..... Agents. By cable authority from..... dated at.....19.....

(*Signed*) .....& Co.,

As Agents

.....Witness to the signature of.....

per pro.....& Co.,

(*Signed*).....29/4/16

WE HEREBY CERTIFY the above to be a true copy of the original Charter Party in our possession.

Brokers

Note:

TIME CHARTER—SPECIAL CLAUSE.

It is a condition of this charter and the charterers undertake that:—

(1) The ship shall be employed only in such trades and employments and shall carry only such goods, persons and things as are lawful for a British ship and are not for the time being prohibited by his Majesty's Government.

(2) The ship shall not be used nor be documented in any such way nor shall she carry any such cargo or any cargo so documented as would expose her to seizure or condemnation by Great Britain or any of her Allies.

(3) There shall not be any breach of any of the warranties which are now or may during the continuance of this charter be contained in the policies or contracts of insurance of the ship with the War Risks Insurance Association in which the Ship is entered. The warranties now contained in such policies are as follows:—

(a) That the ship shall be employed in commercial trading.

(b) That the ship shall not engage in any trade prohibited by His Majesty's Government or by the Committee of the Association, and shall comply as far as possible, with the orders of His Majesty's Government and the directions of the Committee as to sailing, routes, ports of call, stoppages, arrival and otherwise.

(c) That the ship shall leave an enemy's port within the days of grace allowed by the enemy and shall comply with the terms of any pass granted by the enemy.

(d) That the ship shall not enter or leave, or attempt to enter or leave, any port which is known to be blockaded by the enemy.

Upon breach of any of the conditions and undertakings mentioned in this clause, the owners shall have the right at any time to withdraw the ship from the service of the charterers, without prejudice to any claim they, the owners, may have on the charterers in pursuance or for breach of this charter.

While the charter party reproduced in Form 61a, and analyzed above, is typical of the time charters in use at American ports, it varies sufficiently from others to emphasize the need of read-

ing the contents of time charters before signature is attached. The time charter approved by the New York Produce Exchange is reproduced in Form 62 for purposes of comparison. It differs from the charters shown in Form 61a and Form 61b, chiefly in its details, yet some of these details are of importance. The clause with respect to the appointment of a super cargo, for example, and those governing the loss of time due to deficiency of men or stores, fire, breakdown of machinery, etc., the performance of night work, the application of the shipping rules of the New York Produce Exchange, signature of bills of lading by captain and the rules governing payment of hire differ from the corresponding clauses of the former charters.

Government Time Charters

During the war, when the Government acquired direct control over a large number of vessels, the Shipping Board adopted a number of standardized time charters. Many privately owned vessels were requisitioned by the Board under the requisition charter reproduced in Form 63. It states that the vessel described in the charter has been requisitioned subject to three conditions: (1) that the terms and conditions under which the requisitioned vessel is to be operated shall be those contained in either the "time form" or the "bare-boat" form of the Shipping Board at the option of the United States; (2) that the owner accepts these terms and conditions in full satisfaction of claims; and (3) that the United States may cancel the requisition charter on giving a written notice of five days when the "vessel is in a United States port."

The time form provided for the operation of such requisitioned vessels differs from the commercial time charters ordinarily in use principally in the following respects: (1) The period of time subject to cancellation as stated above is limited to six months after arrival of the vessel at an American port after peace is declared, unless it is required for Government purposes. (2) The United States is to provide any special equipment in addition to "that required for the vessel's previous usual service." (3) The crew shall so far as practicable consist of American citizens, the citizens or subjects of enemy or ally of enemy nations being excluded. (4) The charter rate shall be

on a monthly basis determined from time to time by the United States Shipping Board, the owner, however, having the option on canceling the requisition charter if the rate is fixed below that in effect on the date of requisition. In case the vessel loses time because of deficiency in crew or stores or other causes similar to those listed in a commercial time charter, the payment provided for is to be reduced to one-half until the vessel is again in an efficient state. (5) The United States agrees to reimburse the owner for any proper increases in wages and bonuses over the standard prevailing Aug. 1, 1917. (6) The United States agrees to bear the cost of insuring against war risks and special risks due to the use of the vessel elsewhere than on its usual voyages. The Government, moreover, assumes liability for marine losses in case the vessel becomes unseaworthy for reasons other than the neglect or misconduct of the owner or his agents; and upon giving a notice of five days the Government may assume all marine risks. The insurance clause also provides that losses are presumed to be due to war risk if there is no evidence to the contrary; and the owner is required to insure against "the usual protection and indemnity risks for the full protection of the owner and the United States, the expense thereof to be borne 50 per cent. by the owner and 50 per cent. by the United States." (7) The owners of passenger-carrying vessels operating under the time form are required to operate and maintain the salon mess, and if troops are carried a troop mess in which the meals are the equivalent of the regular United States Army garrison ration, the United States in both cases being required to pay for these services "at reasonable rates to be fixed by the United States." (8) The vessel is to be subject to all the laws and regulations governing merchant vessels unless it is taken over into the service of the War and Navy Department, when it shall have the status of a public ship and its officers and crew shall become the immediate employees and agents of and be absolutely under the control of the United States. Most requisitioned vessels were turned over to their owners or agents for operation under this time charter.

Upon five days' written notice, however, any requisitioned vessel may be taken over for operation by the United States under what is known as the "bare-boat" form. Under this charter form the vessel is to be outfitted and equipped by the

owner and also be put into seaworthy condition by him, but the United States undertakes "at its sole expense (to) man, operate, victual and supply the vessel"; also to pay all port charges, pilotages and other costs incident to the use and operation of the vessel; and to assume all war, marine and other risks. Under the bare-boat form the owner receives pay for the use of his vessel at a monthly rate per deadweight ton, but the rate is lower than that paid under the regular time form as the increased services and risks assumed by the Government are taken into account.

CODE WORDS:
Requisition Charter—Retra
Time Form—Merof
Bare Boat Form—Erab

U. S. S. B. CHARTER
FORM NO. 2

UNITED STATES OF AMERICA

REQUISITION CHARTER

Name of Steamship.....
Type of Steamship.....
D. W. Tonnage.....
Gross Tonnage.....
Passenger capacity.....
Knots per hour.....
Date on which vessel entered into pay.....

This Requisition Charter made and concluded upon in the District of Columbia the ....day of 1
....., 1917 between.....of..... 2
.....of ....., owner of the good American .....Screw Steamship 3
.....of ..... of ..... tons gross register 4
and .....tons net register, built in ....., having engines of 5
nominal horsepower, provided with proper certificate for hull and machinery, and classed .....at 6
.....of about ..... cubic feet capacity and .....tons dead-weight 7
capacity, summer freeboard, inclusive of permanent bunkers, capable of making an average voyage 8
speed when loaded of ..... knots an hour, under ordinary conditions, on a consumption of 9
about ..... tons of coal, or about ..... barrels of oil per 24 hours; and the United 10
States of America, through the United States Shipping Board— 11
WITNESSETH: 12
WHEREAS, by Requisition Order, dated ....., 1917, pursuant to the Urgent Deficiency Act 13
15 June, 1917, and the President's Executive Order 11 July, 1917, the United States has requi- 14
sitioned the use of the steamship ....., and the steamship has been delivered 15
into possession of the United States pursuant to the Requisition; and 16
WHEREAS, it is desired by the United States and by the owner to fix the compensation (herein- 17
after called hire) which the United States shall pay to the owner for use of the steamship so requi- 18
sitioned, and to define by agreement the rights and duties of the United States and of the owner 19
with respect to the operation of the vessel under the Requisition, and with respect to other matters 20
in connection therewith: 21
NOW, THEREFORE, IT IS AGREED AS FOLLOWS: 22
First. The terms and conditions under which the vessel is to be operated shall be those con- 23
tained in the "Time Form" hereto annexed; provided, however, that at the time of the Requisition 24
or at any time thereafter, on five days' written notice, the United States may operate the vessel 25
under the terms and conditions contained in the "Bare Boat Form" hereto annexed, such operation 26
to begin when the steamship is in a United States port. 27
Second. In consideration of the compensation provided and the other obligations assumed by 28
the United States hereunder, the owner accepts this Requisition Charter in full satisfaction of any 29
and all claims he has or may have against the United States arising out of the Requisition and 30
accepts the compensation herein provided for as the just compensation required by law; provided, 31
however, that the acceptance of this Requisition Charter shall be without prejudice to the claim, 32
if any, the owner may have against the United States arising out of recoveries against the owner 33
by third parties on the vessel's commitments. 34
Third. Upon giving five days' written notice to the owner the United States may at any time, 35
when the vessel is in a United States port, cancel this Requisition Charter without prejudice to 36
the accrued rights of either party. 37

Witness to the signature of
.....

.....
Owner.

Witness to the signature of—
.....

By.....
THE UNITED STATES SHIPPING BOARD,
By.....

FORM 63.—GOVERNMENT REQUISITION CHARTER

When a requisitioned vessel is chartered, not to its owner but to another vessel operator, a different form of charter party is used by the Shipping Board. It is agreed that the vessel may not be sub-chartered without the written consent of the United States; that the charterer is to provide and pay for all items and assume all the risks and liability for which the United States is obligated under the requisition charter; that all settlements with the owner are to be made by the United States, but the charterer is to reimburse the United States within thirty days after vouchers are presented; that in case the vessel is lost and the United States under the requisition charter agrees to deliver another vessel to the owner or obtain a building contract for him, the charterer is to pay the United States the value of the ship with interest at 6 per cent. per year beginning thirty days after date of loss; and that the charterer is to pay the requisition rate fixed by the Shipping Board for a vessel of corresponding description, and also an amount to cover overhead and other expenses borne by the United States. The United States undertakes that all the duties and obligations of the owner under the requisition charter may be carried out. This charter may be determined either by the United States or the charterer upon giving a notice of thirty days, the vessel then to be delivered at a United States port north of Hatteras in "as good order and condition as when received, ordinary wear and tear and damage due to the operation of risks assumed by the owner under the requisitioned charter excepted and free from all liens and claims for which the (charterer) is responsible."

When the United States Shipping Board charters a vessel, not under requisition, still a different form of charter is executed. Since the element of compulsion is not dominant, conditions of this charter in such a transaction are similar to those of the usual commercial time charters, although they differ from the latter in certain respects. The Shipping Board agrees to assume loss or damage due to the operation of war risks, and it is given the privilege to equip the vessel with guns. The owner's lien for amounts due is restricted to "cargoes not owned by the United States and all sub-freight," the Shipping Board, however, having a lien on the ship for "all monies paid in advance and not earned, and for any average claims against ship,

and any overpaid hire or excess deposit shall be returned at once."

Government charters also include forms used for special types of vessels or to meet special conditions. There is, for example, a sailing vessel time charter; a special bare-boat charter to cover vessels chartered by the Shipping Board to the Emergency Fleet Corporation; a rerequisition charter for tank steamers with an attached bare-boat form; a tank steamship requisition agreement and a supplemental requisition agreement for tank steamers; an agreement stating the "terms of employment of Dutch vessels"; a uniform charter for Swedish steamers, and a "requisition charter for tugs," with attached time and bare-boat forms.

CHAPTER XIII

TRIP OR VOYAGE CHARTERS

When an ocean vessel is chartered for a single voyage or trip, a "trip charter party" is signed by the owner and charterer or their agents. The many different trip forms in use at American ports may be grouped into three fundamental classes: (1) the gross form, (2) the net form, (3) modified gross or net forms.

Gross Form Charter Parties

The distinctive feature of the gross form charter is that the charter rate paid by the charterer to the owner covers the entire transportation service, including loading at shipping point and discharging at destination and also port charges. It requires the shipper to deliver his cargo where specified in the charter usually alongside the vessel, and the consignee to receive it as specified; but within these limits the charter rate named in the gross form covers port charges and services as well as port to port transportation services and costs.

The charters reproduced in Forms 64, 65 and 66 indicate the clauses usually contained in gross form charters and also make it clear that the provisions or conditions imposed in these clauses are subject to variations. As in case of time charters the manner in which the vessel is described or identified is not uniform, the full cargo berth terms grain charter shown in Form 65 specifically requiring a statement of the vessel's classification under the rules of either British Lloyds or the French Bureau of Veritas and of its capacity expressed in terms of quarters of heavy grain, 10 per cent. more or less weight capacity and of cubic feet capacity for cargo. The berth terms grain charter moreover provides a range of American and European ports, any one of the former of which may be selected by the charterer and ordered in the bill of lading as the port of shipment and any one of the latter as the port of discharge upon payment

of the agreed charter rates or amount of freight, while the general trip charter shown in Form 64 and the coal charter reproduced in Form 66 leave blank space into which the ports of shipment and discharge are inserted when the charter arrangement is made.

FORM 64.—GENERAL CARGO GROSS FORM CHARTER PARTY

THE GLOBE LINE

GASTON, WILLIAMS & WIGMORE STEAMSHIP CORPORATION

39 BROADWAY, NEW YORK

THIS CHARTER PARTY, made and concluded upon in the City of NEW YORK, the..... day of..... in the year of our Lord one thousand nine hundred and..... between.....Agents for Owners of the good.....called the..... of ..... classed ..... of the measurement of .....tons net register, or thereabouts, ... now.....of the first part, and .....of the second part.

WITNESSETH that the said party of the first part agrees on the freighting and chartering of the said.....(with the exception of the deck, cabin and necessary room for the crew, and the storage of provisions, sails, fuel and cables), or sufficient room for the cargo hereinafter mentioned, unto said party of the second part for a voyage from.....

.....

or so near thereunto as she may safely get and there deliver her cargo on the terms following:

1. The said .....shall be tight, staunch, strong and every way fitted for such a voyage, and receive on board during the aforesaid voyage, the merchandise hereinafter mentioned; and no goods or merchandise shall be laden on board otherwise than from the said party of the second part or Agent.

2. The said party of the second part doth engage to provide and furnish to said..... a full and complete CARGO OF .....

.....

and to pay to said party of the first part, or Agent, for use of said vessel during the voyage aforesaid.

.....

3. The act of God, restraint of Princes, Rulers and People, fire and all and every other dangers and accidents of the seas, rivers and steam navigation of what nature and kind soever, riots, and strikes of pitmen, and all and every other unavoidable hindrances which may prevent the loading and delivery during the said voyage, always mutually excepted.

4. It is agreed that the lay days for loading and discharging shall be as follows:

.....

Consignees to receive cargo at port of discharge at the rate of not less than..... tons per running day, Sundays and Legal Holidays excepted. Lay days for loading and/or discharging to commence from the time the steamer ..... is ready to load and/or discharge cargo, and the master to give written notice of readiness.

.....

.....

5. Also, that for each and every day's detention by default of said party of the second part, or Agent, ...U. S. Gold per day, day by day, shall be paid by said party of the second part, or Agent, to said party of the first part, or Agent.

6. Bills of Lading to be signed without prejudice to this Charter, but at not less than chartered rates.

.....

7. It is mutually agreed that the Charterers' liability under this Charter shall cease when the cargo is on board and Bills of Lading signed. The Master & Owners of the ..... shall have an absolute lien upon the cargo for all freight, dead freight, and demurrage, and all and every other sum or sums of money which may become due the steamer under this Charter.

8. It is also mutually agreed that this shipment is subject to all the terms and provisions of and all the exemptions from liability contained in the Act of Congress of the United States entitled "An Act relating to Navigation of Vessels, etc.," approved on the 13th day of February, 1893. Seaworthiness warranted only so far as ordinary care can provide, and owners are not liable for loss, detention, or damage arising from latent defects existing at the time of sailing. If the owner of the ship shall have exercised due diligence to make said ship in all respects seaworthy, and properly manned, equipped and supplied, it is hereby agreed that in case of danger, damage or disaster resulting from fault or negligence of the pilot, master or crew, in the navigation or management of the ship or from latent or other defects, or unseaworthiness of the ship, whether existing at time of shipment or at the beginning of the voyage, but not discoverable by due diligence, the consignees or owners of the cargo shall not be exempted from liability for contribution in General Average, or for any special charges incurred, but with the Shipowner, shall contribute in General Average, and shall pay such special charges, as if such danger, damage or disaster had not resulted from such fault, negligence, latent or other defect or unseaworthiness. General Average, if any, to be settled according to York-Antwerp rules of 1890.

FORM 64.—GENERAL CARGO GROSS FORM CHARTER PARTY (*Continued*)

9. Lay days if required by Charterers, not to commence before.....191..; and should the ..... not be ready for cargo at her loading port on or before ..... 191....., the Charterers or their agents to have the option of cancelling this Charter Party at any time not later than the day of ..... readiness.

10. .....to have liberty to tow and to be towed and to assist vessels in all situations, also to call at any port or ports for coal and/or other supplies.

11. The cargo or cargoes to be received and delivered along-side the..... where she can load and discharge, always safely afloat within reach of her tackles; and lighterage, and also extra lighterage, if any, at the risk and expense of the cargo.

12. ..... to be discharged at such wharf as charterers may designate, where steamer may always safely lie afloat.

.....

.....

13. Funds for the vessel's ordinary disbursements not to exceed one-half of the estimated freight. If desired by the party of the first part or their Agents, to be advanced by the Charterers on account of the freight to the Master and Owners at Port of Loading. Paying ..... per cent. to cover interest, insurance and commission.

14. A commission of five per cent. on the amount of freight and demurrage is due by the .....and Owners on signing of this Charter Party, ship lost or not lost, charter cancelled or not cancelled, to.....

.....

15. To the true and faithful performance of all and every of the foregoing agreements, we, the said parties, do hereby bind ourselves, our heirs, executors, administrators and assigns, each to the other in the penal sum of estimated amount of freight.

IN WITNESS WHEREOF, we hereunto set our hands, the day and year first above written.

SIGNED IN THE PRESENCE OF

.....

.....

.....

WE HEREBY CERTIFY that the foregoing is a true and correct copy of the original Charter Party on file in our Office.

GASTON, WILLIAMS & WIGMORE STEAMSHIP CORPORATION

FORM 65.—NEW YORK BERTH TERMS GRAIN CHARTER PARTY

(PRE-WAR CONDITIONS)

New York Produce Exchange. Approved Berth Term Contract, for Full Cargo Grain, of 1897

BOWRING & COMPANY, SHIP BROKERS[1]

17 STATE STREET

New York, June 30th, 1914.

MEMORANDUM OF AGREEMENT between *Dominion Coal Co., Ltd., Time Charterers* [Agents for Owners] of the *Norwegian* Vessel "*ALDEN*" *of Bergen* of *2340* tons net register, and guaranteed *26,000* quarters of heavy grain *10* per cent., more or less, weight capacity, and about ..... feet, cubic capacity for cargo, classed [100 A 1, at British Lloyds, or 3. 3. 1. 1. at French Veritas,] *First Class Norwegian Veritas*, now *expected ready about July 2nd/3rd* and *Messrs. Ames Brooks Co., of Duluth*, Charterers.

1. The Owners agree to let and the Charterers agree to hire the said Vessel for a voyage from Montreal to Rotterdam or Avonmouth [New York, or Philadelphia, or Baltimore, or from Newport News and/or Norfolk, at Charterers' option (orders for first Loading Port to be given within twenty-four hours after receipt of notice of Vessel's arrival at Port of Call if coming in ballast, or prior to discharge, if coming to the United States with cargo) to LONDON, LIVERPOOL, GLASGOW, BRISTOL, AVONMOUTH, MANCHESTER, CARDIFF, PLYMOUTH, SOUTHAMPTON, DUBLIN, BELFAST, HULL, LEITH, NEWCASTLE-ON-TYNE, ROTTERDAM, AMSTERDAM, ANTWERP, HAMBURG, BREMEN, DUNKIRK, or HAVRE] one port only, as ordered on signing Bills of Lading, on being paid a freight of *two shillings and three pence (2/3)* all in British Sterling, for each and every quarter of 480 pounds, English weight, delivered.....

2. The Owners agree that the Vessel shall be tight, staunch and strong, and in every way fitted for the voyage.

3. The Charterers agree to furnish a full and complete cargo of heavy grain, say wheat and/or corn and/or rye, [but reserve the privilege of shipping a full or a part cargo of flaxseed, and/or barley, and/or oats, in which case the Vessel is to receive same freight as if she had loaded a full and complete cargo of heavy grain, any saving in loading expenses to be for Vessel's benefit.]

4. Notification of Vessel's readiness must be delivered at the office of Charterers, or their Agents, at or before 4 P. M. (or at or before 12 M., if on Saturday), Vessel also having been entered at the Custom House, accompanied by pass of the Inspector of Vessel's readiness in all compartments, and the lay-days will then commence at 7 A. M. on the next business day, provided Vessel is at loading place, as ordered, otherwise days to count in accordance with the Rules governing at Port of Loading. Charterers' orders to move to loading place must be served on the Vessel's Agents by 5 o'clock P. M., (if on Saturday by 12 o'clock M.) of day of readiness or lay-days to begin.

5. Vessel to haul to loading place or places, as ordered by Charterers, but if ordered from her first loading place, the cost of this and any subsequent hauling to be paid by Charterers. [In case the Vessel loads at Newport News and/or Norfolk, the Charterers have the privilege of shifting the Vessel between Newport News and Norfolk as often as may be required, they paying expenses incurred, beyond those incurred by the vessel in shifting once from her first to her second Loading Port, and allowing Owners for time lost in shifting on that account at the rate of thirty pounds (£30) British Sterling per day or part thereof.]

[1] Clauses in [ ] were omitted from the printed form; those in italics were put in with typewriter.

FORM 65.—NEW YORK BERTH TERMS GRAIN CHARTER PARTY (*Continued*)

Steamer to pay elevator charges at loading port if any.

6. Charterers, or their Agents, shall have the option of cancelling this Charter Party if the Vessel be not ready to receive cargo on or before the *15th July, 1914*. Such readiness shall include the arrival of the Vessel at the Loading Port, entry thereof at the Custom House, and all compartments ready to receive cargo as shall be shown by the Master's written notification, accompanied by Underwriters' Surveyor's pass to that effect, which must be presented at the office of the Charterers, or their Agents, at or before 4 P. M., or if on Saturday before 12 o'clock noon of said day. This option to cancel shall be exercised not later than the presentation of the said Surveyor's pass of readiness.

7. Lay-days, if required by Charterers, not to commence before *1st July, 1914*.

8. Vessel to load and discharge at such wharf, place, or in such dock as may be named by Charterers, or their Agents, provided that they are safe and customary places for such berth Vessels to load and discharge.

9. [The Vessel to be loaded and] *five (5) running days, except Sundays and holidays, to be allowed for loading and steamer* to be discharged with customary berth dispatch, as applicable at Ports of [Loading and] Discharge, Owners paying any elevator charges at Port [or Ports] of Discharge necessary to insure this, and if longer detained Charterers are to pay demurrage at the rate of 4d. British Sterling per net registered ton per day.

10. This contract is subject to all the conditions of the regular Berth Bill of Lading applicable to the Port of Discharge; and the Master, or person appointed by him, shall sign Bills of Lading as presented, without prejudice to his contract; any difference between Bills of Lading and the freight due vessel under this agreement is to be settled at Loading Port before clearance; if in favor of the vessel, in cash at the current rate of exchange, less insurance; if in favor of Charterers, by draft of Master upon his consignees, payable five days after arrival at Port of Discharge. Charterers' liability to cease on cargo being shipped and difference of freight and/or demurrage, if any, paid, vessel having a lien on the cargo for freight.

Charterers' stevedores to be employed at current rates for loading.

If steamer is ordered to Avonmouth, cargo to be discharged in accordance with the rules of the Bristol Channel and West Coast of England Corn Trade Association.

Receivers of the cargo are in no case obliged to take delivery of the cargo at night without their consent and in any event steamer must bear all extra expenses incurred by working at night.

11. The act of God, restraint of rulers and people, war, fire, epidemics, strikes, and all and every danger and accident of the seas, canals, rivers, and of navigation, always mutually excepted. It is also mutually agreed that this agreement is subject to all the terms and provisions of, and all the exemptions from liability contained in the Act of Congress of the United States, approved on the 13th day of February, 1893, and entitled "An Act relating to Navigation of Vessels, etc." General Average shall be adjusted according to York-Antwerp Rules, 1890.

12. This agreement is made subject to the Rules of the New York Produce Exchange, and all disputes arising at the Port of Loading shall be submitted to arbitration at New York, as therein provided.

13. A commission of two and one-half per cent. (2½ per cent.) and the customary freight brokerage is due by Owners on signing this agreement to BOWRING & COMPANY, vessel lost or not lost, who or whose Agents at Port of Loading are to attend to ship's business on customary terms.

(*Signed*) *BOWRING & COMPANY,*

.....Witness to the Signature of *R. N. Black, Asst. Manager, S. B. Dept.*

(*Signed*) *B. T. Young* As Agents by *telegraphic* authority of *Mr. J. R. McIsaac, G.T.M. Dominion Coal Co., Ltd.*

.....Witness to the Signature of (*Signed*) *Ames Brooks Co., per Julius H. Barnes.*

A true copy:

.....

Brokers.

NOTE.—*Wherever the word "Owners" appears in this charter party it is understood to mean "Time Charterers."*

FORM 66.—GROSS FORM COAL CHARTER PARTY (SHORT TRIPS ALONG COAST AND TO WEST INDIES)

TRIP CHARTER PARTY[1]

FORM Z-6-6-14

BOWRING & CO.

17 BATTERY PLACE, NEW YORK

S. S. AGENTS AND SHIP BROKERS

THIS CHARTER PARTY, made and concluded upon in the City of NEW YORK, the 18th day of *September* in the year of our Lord one thousand nine hundred and *fifteen* between *Messrs.* .....*& Co.*, Agents for *Time Charterers* [Owners] of the good Steamship called the.....of *Bergen*, classed A 1 at *Norwegian Veritas* [Lloyds] of the measurement of *747* tons net register, or thereabouts, now *trading* of the first part, and *The*.....*Co.*, of *St. Johns, N. F.*, of the second part.

WITNESSETH, that the said party of the first part agrees on the freighting and chartering of the said steamer (with the exception of the cabin and necessary room for the crew, and the storage of provisions, sails, fuel and cables), or sufficient room for the cargo hereinafter mentioned, unto said party of the second part for a voyage from *Philadelphia, Pa., to St. Johns, N. F.*,..... or so near thereunto as she may safely get and there deliver her cargo on the terms following:

1. The said steamer shall be tight, staunch, strong and every way fitted for such a voyage, and receive on board during the aforesaid voyage, the merchandise hereinafter mentioned; and no goods or merchandise shall be laden on board otherwise than from the said party of the second part or Agent, *unless otherwise mutually agreed.*

2. The said party of the second part doth engage to provide and furnish to said steamer a full and complete CARGO OF *coal, say about 1800 tons* ..... and to pay to said party of the first part, or Agent, for use of said vessel during the voyage aforesaid *two dollars and fifty cents per ton of 2240 lbs. of coal delivered, payable at port of discharge in United States gold or its equivalent*, free of discount or interest, upon delivery of cargo. Charterers are not to be liable for freight on cargo lost or jettisoned.

[1] Clauses in [ ] were omitted from the printed form; those in italics were put in with typewriter.

FORM 66.—GROSS FORM COAL CHARTER PARTY (SHORT TRIPS ALONG COAST AND TO WEST INDIES) (*Continued*)

3. The act of God, restraint of Princes, Rulers and people, fire and all and every other dangers and accidents of the seas, rivers and steam navigation of what nature and kind soever, riots, and strikes of pitmen, and all and every other unavoidable hindrances which may prevent the loading and delivery during the said voyage, always mutually excepted.

4. It is agreed that the lay days for loading and discharging shall be as follows: Steamer to take her turn in loading, as customary, and cargo to be loaded with customary despatch. *Steamer to pay cost of trimming.*

Consignees to receive cargo at port of discharge at the rate of not less than *five hundred* (*500*) tons per running day, Sundays and Legal Holidays excepted. Lay days for discharging to commence from the time the steamer is ready to discharge cargo. *Cargo is to be discharged by steamer at her own expense. Charterers undertaking that the cost of stevedoring shall not exceed twenty-five cents per ton. It is understood that steamer is to give free use of steam, winches and men to run winches. Charterers to have option of appointing stevedore if they so desire.*

5. Also, that for each and every day's detention by default of said party of the second part, or Agent, *$150.00* [cents] U. S. Gold [per net register ton] per day, day by day, shall be paid by said party of the second part, or Agent, to said party of the first part, or Agent.

6. Bills of Lading to be signed without prejudice to this Charter, but at not less than chartered rates.

7. [This charter being entered into on behalf of other parties, it is hereby mutually agreed that the liability of the Freighters and Shippers under this charter shall cease upon the loading of the cargo.] Steamer to have a lien upon the cargo for all freight, dead freight and demurrage, and all and every other sum, or sums of money which may become due the steamer under this charter.

8. It is also mutually agreed that this shipment is subject to all the terms and provisions of and all the exemptions from liability contained in the Act of Congress of the United States entitled "An Act relating to Navigation of Vessels, etc.," approved on the 13th day of February, 1893. Seaworthiness warranted only so far as ordinary care can provide, and owners are not liable for loss, detention, or damage arising from latent defects existing at the time of sailing. If the owner of the ship shall have exercised due diligence to make said ship in all respects seaworthy, and properly manned, equipped and supplied, it is hereby agreed that in case of danger, damage or disaster resulting from fault or negligence of the pilot, master or crew, in the navigation or management of the ship, or from latent or other defects, or unseaworthiness of the ship, whether existing at time of shipment or at the beginning of the voyage, but not discoverable by due diligence, the consignees or owners of the cargo shall not be exempted from liability for contribution in General Average, or for any special charges incurred, but with the Shipowner, shall contribute in General Average, and shall pay such special charges, as if such danger, damage or disaster had not resulted from such fault, negligence, latent or other defect or unseaworthiness. General Average, if any, to be settled according to York-Antwerp rules of 1890.

9. Lay days if required by Charterers, not to commence before *September 25th, 1915*, and should the steamer not be ready for cargo at her loading port on or before *October 10th, 1915*, the Charterers or their agents to have the option of cancelling this Charter Party at any time not later than the day of steamer's readiness.

10. Steamer to have liberty to tow and to be towed and to assist vessels in all situations, also to call at any port or ports for coals and/or other supplies.

11. The cargo or cargoes to be received and delivered alongside the steamer, where she can load and discharge, always safely afloat within reach of her tackles: and lighterage, and also extra lighterage, if any, at the risk and expense of the cargo.

12. Steamer to be discharged at such wharf as charterers may designate, where steamer may always safely lie afloat.

Steamer to be consigned to Charterers or their agents at port of discharge, free of charge for attendance. Steamer to be free of wharfage charges at St. Johns.

13. A commission of five per cent. on the amount of freight and demurrage is due by the Steamer and Owners on signing of this Charter Party, ship lost or not lost, charter cancelled or not cancelled, to BOWRING & CO.

14. To the true and faithful performance of all and every of the foregoing agreements, we, the said parties, do hereby bind ourselves, our heirs, executors, administrators and assigns, each to the other, in the penal sum of estimated amount of freight.

IN WITNESS WHEREOF, we hereunto set our hands, the day and year first above written.

.....(*Signed*) ..... & CO.,
As Agents for Owners.

(*Signed*).....Witness to the signature of (*Signed*).....
As Agents for the Company.

WE HEREBY CERTIFY that the foregoing is a true and correct copy of the original Charter Party on file in our office.

NOTE.—*Wherever the word "OWNERS" occurs in this charter, same refers to "Time Charterers."*

The charter rate or freight paid to the owner under a trip charter is usually based upon the amount of cargo carried, subject to the proviso that the charterer is to provide a full and complete cargo. So in the above-mentioned gross form grain charter, payment is made at a defined rate per quarter of 480 pounds, English weight, delivered where specified in the charter. The general charter reproduced in Form 64 contains a blank into which the rate per ton of cargo or other defined unit of cargo, depending upon what commodity is being shipped, is inserted and the coal charter rate is based upon cargo tons of 2,240 pounds. Trip charters basing freights upon tonnage of

the vessel are exceptions to the general practice of basing them upon cargo tonnage.

The freight clause of a trip charter is accompanied by various clauses further defining the rights and duties of owner and charterer. Among them there is the so-called "warranty" clause providing that the vessel "shall be tight, staunch, strong and every way fitted for the voyage." Another obligates the charterer to provide a full and complete cargo of the kind of cargo definitely specified, or in case of the berth terms grain charter of Form 65, of wheat, corn or rye, the charterer, however, having the privilege of shipping a full or part cargo of flaxseed, barley or oats at the same charter rate with the understanding that any saving in loading expenses due to such substitution is to be "for vessel's benefit." A bill of lading clause requires the captain to sign bills of lading as presented by the charterer, the freight charges in such bills of lading, however, being subject to restrictions. In Form 64, for example, it is provided that they may not total less than the freight agreed upon in the charter. In Form 65 there is a corresponding proviso to the effect that "any difference between bills of lading and the freight due vessel under this agreement is to be settled at loading port before clearance; if in favor of vessel, in cash at the current rate of exchange less insurance; if in favor of charterers, by draft of master upon his consignees, payable five days after his arrival at port of discharge." The coal charter provides that the "owner's regular bills of lading (are) to be signed conformed to this charter." The bill of lading clause in the charters shown in Forms 64 and 65 specifically provide that bills of lading are signed without prejudice to the charter party and this is the usual practice.

Another clause provides that the owner has a "lien upon the cargo for all freight, dead freight and demurrage and all and every sum or sums of money which may become due the steamer under this charter." The term dead freight refers to the difference between the freight due the vessel as per the charter rates when applied to a full and complete cargo as provided for in the charter, and a smaller amount based upon a cargo which is not full and complete. The owner is entitled to the entire amount regardless of the charterer's failure to ship a full and complete cargo. Demurrage refers to the agreed payments

per day for which the charterer or his agent is liable in case the vessel is detained by default of the charterer to deliver the cargo when loading or to receive it when discharging within the number of lay-days agreed upon.

The so-called "lay-day" clauses specify the number of days allowed for loading cargo, and sometimes also for unloading; or the number of tons per day to be loaded or discharged. They may begin from the time the vessel "is ready to load or discharge, and the master to give written notice of readiness," and there may be provisions requiring such notification of readiness to be delivered at the office of the charterer or his agent at or before a certain hour of the day, the lay-days to begin at a stated hour on the next business day. There may also be a clause to the effect that if the charterer requires, lay-days shall not commence before an agreed date. Charters also provide whether lay-days shall be "running-days" which are consecutive, legal holidays and Sundays excepted; or "working days," which include only such days as are customarily devoted to loading or unloading at the ports of loading or discharge. The lay-days clauses of some charters further provide for the payment by the owner to the charterer of "dispatch money" at fixed rates for each lay-day not used.

Still another clause of importance specifies where the cargo is to be delivered by the charterer and where it shall be received at port of discharge. In Forms 64 and 65 it is provided that it shall be alongside the vessel "always within reach of her tackles"; and that "lighterage and also extra lighterage, if any, (shall be) at the risk and expense of the cargo." The wharf, dock or place for loading and discharging may be named by the charterer or his agent, provided it is a safe place for the vessel and one customarily used for such purpose. Form 64 further provides that if the vessel is ordered to load at more than one loading place, the "cost of this and any subsequent hauling (is) to be paid by the charterers"; if the vessel is ordered to shift several times between Norfolk and Newport News, the charterers are required to pay the "expenses" incurred beyond those incurred by the vessel in shifting once from her first to her second loading port and to allow the "owners for time lost in shifting on that account at the rate of thirty pounds British sterling per day or part thereof." In the coal charter it is also provided that

extra expense incurred by reason of working the vessel on Sundays or holidays shall be for the account of the vessel if at the loading port and for the account of the cargo if at the discharging port, subject to the proviso that if such extra expense is incurred after the agreed lay-days have expired it shall be borne by the cargo whether at loading or discharging port.

While the demurrage and lighterage charges, the costs or allowances paid when the vessel is asked to load at more than one wharf or loading place and the extra expense due to work on Sundays and holidays, are port charges for which the charterer is liable over and above the agreed charter rate, they are special and contingent in character and do not alter the original statement that the charter rate in a gross form charter party covers the cargo transportation, loading and discharging and also port charges. Lighterage charges are not included because the charter requires the delivery and receipt of cargo alongside the vessel; charterers' demurrage which is designed to speed up loading and discharging must, to accomplish its purpose, be excluded from the charter rate agreed upon when the charter is signed; and expenses or allowances for extra shiftings of the vessel are not included because the charter rate is based upon a voyage during which there will be but one loading and discharging place or not more than such larger numbers as may be specifically stated in the charter. It frequently happens, however, that the charterer does not, at the time the charter is signed, know exactly where the cargo is to be loaded and unloaded. The exclusion of extra shiftings from the charter rate widens the charterers' option as to loading and discharging places and protects the owner against unnecessary requirements.

Trip charters also contain a cancellation clause. In Form 64 this clause provides that in case the vessel is not ready for cargo at her loading pier before a stated date, the charterer or his agent has the option of canceling the charter party at any time not later than the day of the vessel's readiness. In Form 65 the cancellation clause likewise confers upon the charterer the right to cancel if the vessel is not ready before a stated date, but not later than the presentation of the underwriters' surveyor's pass of readiness. Readiness is specifically defined to include not only the arrival of the vessel at loading port but also entry at the custom house, written notice by the

captain that all compartments are ready to receive cargo, and presentation of a pass to that effect issued by the underwriters' surveyor. The coal charter contained in Form 66 permits the charterer to cancel at any time not later than the day of readiness if the steamer is not ready to receive cargo by a specified date; and if the cargo license covering the coal shipment has not been received or is revoked, the charterer may cancel "not later than the date of steamer's arrival at loading port by paying six days' demurrage in full liquidation of damages to owners." Cancellation is also permitted under this charter "at any time while the steamer is waiting for cargo by paying demurrage, counting time on demurrage from time of steamer's arrival and adding six days' demurrage thereto."

Other customary clauses are those ending the charterer's liability under the trip charter when the cargo is on board and the bills of lading are signed; and those limiting the owner's liability for loss, damage or detention in accordance with the Harter Act of February 13, 1893, and in accordance with other conditions especially named in the charter. As in case of time charters, an examination of the trip charters reproduced in this chapter will show that these liability clauses have not been standardized. There may also be clauses providing for the settlement of disputes by arbitration; the application of the rules at the ports of named local associations; the making of advances by the charterer on account of the freight to cover the vessel's ordinary disbursements; the payment of an address or agency fee to the charterer or his agents in case they attend to the ship's business at ports of loading or discharge; and the payment of a commission to the ship broker, "ship lost or not lost, charter canceled or not canceled."[1]

Net Form Charters

The difference between the gross and net form of trip charters lies in the clauses which establish the responsibility of owner and charterer. The charter rate paid by the charterer under the net form covers only the actual transportation of the cargo and the owner is responsible only for such service. The charterer is required to assume the cost not merely of placing the

[1] See chapter XII p. 194.

cargo alongside the vessel but of loading it aboard the vessel, of stowing it, and of discharging it at destination. He is also called upon to pay port charges, customs and harbor dues at the port of loading from the time the vessel is ready to receive cargo, and similar charges incurred at the port of destination. A comparison of the net form charter in Form 67 with the gross form charter in Form 64 will show that the various clauses are identical except that the lay-day clause (No. 4) has appended to it the following highly important provision: "charterers to load and discharge cargo at their expense, paying all outward port charges, customs and harbor dues at port of loading, and all inward port charges, customs and harbor dues or other foreign port dues in whatever nature at port or ports of discharge"; and except that Clause No. 11 regarding receipt and delivery of cargo and lighterage expense is supplemented with the following sentence: "Charterers shall pay all costs of wharfage at both loading and discharging ports."

The net grain charters reproduced in Forms 68a and 68b may likewise be compared with the gross form berth terms charter shown in Form 65. While the clauses of these charters differ in various respects, the outstanding differences which indicate that the former is a net form charter are found in Clauses 10 and 11. Clause 10 provides that "charterers, are to load, stow and trim the cargo at their own expense, under the direction of the master, but they shall not be responsible for improper stowage. Charterers to pay all port charges incidental to the outward cargo at loading port or ports, including elevating, stevedore, wharfage and tarpaulins, and to provide and fill sacks required to secure bulk grain, also dunnage mats, if required, and to provide an agent for custom house business, but owners to pay all port and other charges at loading port until steamer arrives at loading berth." Clause 11 likewise requires the "charterers' agents to pay cost of discharging cargo, pilotage, and all port charges incidental to their cargo at the discharging port or ports to which steamer may be ordered, and to provide an agent for the custom house business, free of commission. If owners employ tally clerks for receiving or delivering cargo, charterers' tally clerks to have preference at equal rates." In this charter various special charges are separately arranged for. Thus "if the steamer discharge at Newport, Mon., and after discharging

FORM 67.—GENERAL CARGO NET FORM CHARTER PARTY

THE GLOBE LINE

GASTON, WILLIAMS & WIGMORE STEAMSHIP CORPORATION

39 BROADWAY, NEW YORK

THIS CHARTER PARTY, made and concluded upon in the City of NEW YORK, the..... day of ..... in the year of our Lord one thousand nine hundred and ..... between..... Agents for Owners of the good ..... called the ..... of ..... classed ..... of the measurement of ..... tons net register, or thereabouts, now..... of the first part, and ..... of the second part.

WITNESSETH that the said party of the first part agrees on the freighting and chartering of the said ..... (with the exception of the deck, cabin and necessary room for the crew, and the storage of provisions, sails, fuel and cables), or sufficient room for the cargo hereinafter mentioned, unto said party of the second part for a voyage from .....

.....

or so near thereunto as she may safely get and there deliver her cargo on the terms following:

1. The said ..... shall be tight, staunch, strong and every way fitted for such a voyage, and receive on board during the aforesaid voyage, the merchandise hereinafter mentioned; and no goods or merchandise shall be laden on board otherwise than from the said party of the second part or Agents.

2. The said party of the second part doth engage to provide and furnish to said..... a full and complete CARGO OF.....

.....

and to pay to said party of the first part, or Agent, for use of said vessel during the voyage aforesaid.

3. The act of God, restraint of Princes, Rulers and people, fire and all and every other dangers and accidents of the seas, rivers and steam navigation of what nature and kind soever, riots, and strikes of pitmen, and all and every other unavoidable hindrances which may prevent the loading and delivery during the said voyage, always mutually excepted.

4. It is agreed that the lay days for loading and discharging shall be as follows:

Consignees to receive cargo at port of discharge at the rate of not less than..... tons per running day, Sundays and Legal Holidays excepted. Lay days for loading and/or discharging to commence from the time the steamer ..... is ready to load and/or discharge cargo, and the master to give written notice of readiness. *Charterers to load and discharge cargo at their expense, paying all outward port charges, customs and harbor dues at port of loading, and all inward port charges, customs and harbor dues, or other foreign port dues in whatever nature at port or ports of discharge.*

5. Also, that for each and every day's detention by default of said party of the second part, or Agent, ...U. S. Gold per day, day by day, shall be paid by said party of the second part, or Agent, to said party of the first part, or Agent.

6. Bills of Lading to be signed without prejudice to this Charter, but at not less than chartered rates.

7. It is mutually agreed that the Charterers' liability under this Charter shall cease when the cargo is on board and Bills of Lading signed. The Master and Owners of the ..... shall have an absolute lien upon the cargo for all freight, dead freight, and demurrage, and all and every other sum or sums of money which may become due the steamer under this Charter.

8. It is also mutually agreed that this shipment is subject to all the terms and provisions of and all the exemptions from liability contained in the Act of Congress of the United States entitled "An Act relating to Navigation of Vessels, etc.," approved on the 13th day of February, 1893. Seaworthiness warranted only so far as ordinary care can provide, and owners are not liable for loss, detention or damage arising from latent defects existing at the time of sailing. If the owner of the ship shall have exercised due diligence to make said ship in all respects seaworthy, and properly manned, equipped and supplied, it is hereby agreed that in case of danger, damage or disaster resulting from fault or negligence of the pilot, master or crew, in the navigation or management of the ship or from latent or other defects, or unseaworthiness of the ship, whether existing at time of shipment or at the beginning of the voyage, but not discoverable by due diligence, the consignees or owners of the cargo shall not be exempted from liability for contribution in General Average, or for any special charges incurred, but with the Shipowner, shall contribute in General Average, and shall pay such special charges, as if such danger, damage or disaster had not resulted from such fault, negligence, latent or other defect or unseaworthiness. General Average, if any, to be settled according to York-Antwerp rules of 1890.

9. Lay days if required by Charterers, not to commence before ..... 191....., and should the ..... not be ready for cargo at her loading port on or before ..... 191....., the Charterers or their agents to have the option of cancelling this Charter Party at any time not later than the day of ..... readiness.

10. ..... to have liberty to tow and to be towed and to assist vessels in all situations, also to call at any port or ports for coal and/or other supplies.

11 The cargo or cargoes to be received and delivered along-side the ..... where she can load and discharge, always safely afloat within reach of her tackles; and lighterage, and also extra lighterage, if any, at the risk and expense of the cargo. *Charterers shall pay all costs of wharfage at both loading and discharging ports.*

12.....to be discharged at such wharf as charterers may designate, where steamer may always safely lie afloat.

13. Funds for the vessel's ordinary disbursements not to exceed one-half of the estimated freight. If desired by the party of the first part or their Agents, to be advanced by the Charterers on account of the freight to the Master and Owners at Port of Loading. Paying ..... per cent. to cover interest, insurance and commission

14. A commission of five per cent. on the amount of freight and demurrage is due by the ..... and Owners on signing of this Charter Party, ship lost not lost, charter cancelled or not cancelled, to.....

FORM 67.—GENERAL CARGO NET FORM CHARTER PARTY (*Continued*)

.....

15. To the true and faithful performance of all and every of the foregoing agreements, we, the said parties, do hereby bind ourselves, our heirs, executors, administrators and assigns, each to the other in the penal sum of estimated amount of freight..

IN WITNESS WHEREOF, we hereunto set our hands, the day and year first above written.

SIGNED IN THE PRESENCE OF

.....

.....

WE HEREBY CERTIFY that the foregoing is a true and correct copy of the original Charter Party on file in our Office.

GASTON, WILLIAMS & WIGMORE STEAMSHIP CORPORATION.

FORM 68A.—NEW YORK NET GRAIN CHARTER PARTY (PRE-WAR CONDITIONS)

NET GRAIN CHARTER

BOWRING & CO.

17 BATTERY PLACE

NEW YORK

.....19.....

IT IS THIS DAY MUTUALLY AGREED, between ..... Agents for Owners of the Steamship ..... of ..... tons net register, British measurement; classed ..... now.....

.....

and ..... Charterers, as follows:

1.—That the said steamship being tight, staunch and strong, and in every way fitted for the voyage (and according to Builders' scale and plan, which Owners believe to be correct, but do not guarantee, able to carry ..... tons [2,240 lbs.] of wheat or maize, in addition to necessary bunker coal, and having ..... cubic feet, grain space, available for such cargo), shall proceed to ..... for orders, the same to be given at once by Charterers on receipt of the Captain's telegram advising vessel's arrival there; to load at .....

.....

according to custom of port, a full and complete cargo of wheat and/or maize and/or other lawful merchandise, including deckload at shipper's risk, which Charterers bind themselves to furnish, and being so loaded shall therewith proceed, as ordered when signing bills of lading, to a safe port in the United Kingdom, or Continent, between Bordeaux and Hamburg, both inclusive (Rouen excluded)

.....

.....

.....

or so near thereunto as she may safely get, and there, always afloat, deliver the cargo as customary at such wharf, dock or other safe place as Charterers' Agents may direct on arrival, in accordance with Bills of Lading, in consideration whereof Charterers shall pay the vessel freight as follows:

.....shillings.....pence, Sterling, per ton, if to a port in the United Kingdom or Continent, between Bordeaux and Hamburg both inclusive (Rouen excluded).

.....shillings.....pence, Sterling, per ton, if.....

.....shillings.....pence, Sterling, per ton, if.....

.....

.....

.....

.....

2.—Charterers agree to load the vessel to full draft allowed by Underwriters' Surveyors, failing which they are to pay dead-freight for the number of tons, short shipped, as shown by the excess buoyancy.

3.—Steamer to have liberty to sail with or without pilots, and to tow and assist vessels in all situations, also to coal at Norfolk or Newport News, in which case Charterers or their Agents have the option of giving orders there; said orders to be given within 12 hours of arrival, or lay days to count, and for purposes of Freight to be considered as given on signing Bills of Lading. Captain to give written notice before signing Bills of Lading, whether he calls for coal or not, and at which coaling station. Steamer to have liberty to coal at a port in the United Kingdom or Copenhagen, if ordered to Denmark, Sweden or the Baltic; or at Gibraltar, if ordered to the Mediterranean or Adriatic.

4.—If ordered to Denmark, orders for the second port, if used, to be given on signing Bills of Lading, or after arrival at the first port at Charterers' option.

5.—Should the Steamer be ordered to discharge at a port on the Continent, excepting Rouen, where there is not sufficient water, under normal conditions, for the Steamer to enter first tide after arrival, and to lie always afloat, lay days are to count from 24 hours after notice of arrival at nearest safe customary anchorage, and any lighterage incurred to reach the port of discharge is to be at the expense and risk of the receiver of the cargo, any custom of the port to the contrary notwithstanding.

6.—Should the Steamer be ordered to a port of discharge in the Sound, Sweden, Denmark, or the Baltic, inaccessible by reason of ice on the Steamer's arrival, the Master shall have the option of waiting until the port is again open, or of proceeding to the nearest safe open port or roadstead (telegraphing his arrival there to Charterers), where he shall receive fresh orders for an open and accessible port of discharge, within said Countries or in the United Kingdom or Continent, as above, within 24 hours of arrival, or lay days to count. If so ordered, the Steamer shall receive the same Freight as if she had discharged at the port to which she was originally ordered.

FORM 68A.—NEW YORK NET GRAIN CHARTER PARTY (PRE-WAR CONDITIONS) (*Continued*)

7.—Freight payable per ton of 2,240 lbs. delivered on right delivery of cargo, in cash, if at a port in the United Kingdom, or at current rate of exchange for bankers' short sight bills on London if in any other country.

8.—Charterers to have the privilege of designating wharves or other safe places for loading or discharging. The cargo to be brought to, and taken from alongside the Steamer, at Merchants' risk and expense. Steamer to supply steam and winchmen to drive winches, and to give use of necessary gear, also to load or discharge at night, on Sundays or holidays or on day when notice is given if required by Charterers, such time not counting, they paying all extra expenses and labor incurred, including overtime of winchmen.

9.—Cash for Captain's ordinary disbursements at port of loading to be advanced, if required. Steamer paying two-and-a-half per cent. commission and cost of insurance thereon, the amount of advance to be covered by Captain's draft payable three days after ship's arrival at port of discharge out of freight and on which the draft shall form a lien.

10.—Charterers are to load, stow and trim the cargo at their own expense, under the direction of the Master, but they shall not be responsible for improper stowage. Charterers to pay all port charges incidental to the outward cargo at loading port or ports, including elevating, stevedore, wharfage and tarpaulins, and to provide and fill sacks required to secure bulk grain, also dunnage mats, if required, and to provide an agent for Custom House business, but owners to pay all port and other charges at loading port until steamer arrives at loading berth.

11.—Charterers' Agent to pay cost of discharging cargo, pilotage, and all port charges incidental to their cargo at the discharging port or ports to which Steamer may be ordered, and to provide an agent for the Custom House business, free of commission. If owners employ tally clerks for receiving or delivering cargo, Charterers' tally clerks to have the preference at equal rates. If steamer discharges at Newport, Mon., and after discharging loads outward cargo there, the Newport dock dues (covering inward and outward entries) to be borne equally by charterers and owners. Towages at discharging ports, other than assisting to berth or berths, to be for owners' account.

12.—Charterers to have use of any dunnage or mats, etc., as may be aboard.

13.—The Steamer shall be consigned to Charterers' Agents at ports of loading and discharge, and shall employ their Broker to attend to the Ship's business, free of commission.

14.—The Captain shall sign bills of Lading or Master's Receipts as and when presented, without prejudice or reference to this Charter-party, and any difference between the amount of Freight by the Bills of Lading and this Charter-party, to be settled at port of loading before sailing, as customary.

15.—Lay days at port of loading are not to count before the.....unless with Charterers' written consent, and to commence on the day following receipt by Charterers' Agents of Captain's written notice of readiness, accompanied by Surveyor's Certificate. Should the Steamer not be ready to load on or before noon of the ..... Charterers have the option of cancelling this Charter-party.

16.—.....running days (Sundays and holidays excepted) shall be allowed the Charterers for loading and discharging. Should the cargo not be delivered to Vessel at loading ports and/or discharged at port or ports of destination within the specified time, for each and every day over and above said lay days, Charterers are to pay, day by day, the sum of ..... per day demurrage, any detention through Quarantine to vessel or cargo, not to count in lay days. If sooner dispatched, steamer to pay..... for each day saved.

17.—The clauses herein regarding payment of port charges, stevedores, etc., at ports of loading and discharging refer only to such charges as are ordinarily incurred, any extra expenses caused by the steamer being under average, are to be adjusted in the usual way. All spaces to be placed at Charterers' disposal, which would be used for cargo if loading for Owner's account, and where cargo has been carried before.

18.—If the cargo cannot be delivered, loaded or discharged by reason of a strike or lockout of any class of workmen, or stoppage of labor or lighters, or anything beyond the control of the Charterers of Receivers essential to the delivery, loading or discharge of the cargo, the days for loading and discharging shall not count during the continuance of such strike, stoppage or lockout. A strike of the Receiver's men only shall not exonerate him from any demurrage for which he may be liable under this Charter if by the use of reasonable diligence he could have obtained other suitable labor or lighters.

19.—If the Nation under whose flag the Vessel sails be at war, whereby her free navigation is endangered, thereby causing extra or prohibitory insurance on the cargo, the Charterers shall have the privilege of cancelling this Charter-party at the last outward port of sailing, or at any subsequent period when the difficulty may arise previous to cargo being shipped. Charterers or stevedores shall not be responsible for any damage occurring while loading or discharging cargo by reason of any defect in Vessel's machinery or tackle, nor for neglect on the part of Vessel's officers or crew.

20.—The Act of God, perils of the sea, fire on board, in hulk or craft, or on shore, barratry of the Master and Crew, enemies, pirates and thieves, arrests and restraints of princes, rulers and people, collisions, stranding and other accidents of navigation excepted, even when occasioned by negligence, default or error in judgment of the Pilot, Master, Mariners, or other servants of the Shipowners. Not answerable for any loss or damage arising from explosion, bursting of boilers, breakage of shafts, or any latent defect in the machinery or hull, not resulting from want of due diligence by the Owners of the Ship, or any of them, or by the Ship's Husband or Manager. General average shall be adjusted according to York-Antwerp Rules, 1890.

It is also mutually agreed that this shipment is subject to all the terms and provisions of and all the exemptions from liability contained in the Act of Congress of the United States, approved on the 13th day of February, 1893, and entitled, "An Act relating to Navigation of Vessels," etc., and Bills of Lading are to be signed in conformity with said Act.

21.—Charterers' liability to cease when the cargo is shipped, the Owner or Master of the Steamer having an absolute lien upon the cargo for the recovery and payment of all Freight, Dead Freight, and Demurrage.

22.—Owners shall furnish Charterers with a copy of vessel's scale, and plan showing cubic capacities of all holds and spaces upon signing of this Charter-party.

23.—Owners or Master shall cable ..... Vessel's departure from last port to enter upon this Charter, and they shall telegraph likewise, at once, if any accident happens to the vessel while under this contract.

24.—Penalty for non-performance of this agreement to be proven damages, not exceeding estimated amount of freight.

By cable authority dated.....

.....Agents

.....

We certify this to be a true copy of the original Charter Party in our Possession.

.....Brokers

.....running days (Sundays and Holidays excepted) remain for the discharge of this cargo. All conditions of this Charter-party have been complied with at loading port.....

The Brokerage of five per cent. on the gross amount of freight, dead freight, and demurrage due under this Charter-party, Steamer lost or not lost, shall be paid by Owners to Bowring & Co.

FORM 68B.—NEW YORK NET GRAIN CHARTER PARTY (WAR CONDITIONS)

NET GRAIN CHARTER [1]

BOWRING & CO.

17 BATTERY PLACE, NEW YORK

S. S. AGENTS AND SHIP BROKERS

New York, December 3rd, 1917

IT IS THIS DAY MUTUALLY AGREED between *Messrs. A. P. Moller of Copenhagen,* [Agents for] *Managing* Owners of the Steamship "*ARNOLD MAERSK*" of *1209* tons net register, British measurement; classed *100 A 1* now *reported bound with cargo from River Plate, U. S. and calculated discharged U. S. end December* and *THE OCEAN TRANSPORTATION CO. OF NEW YORK* Charterers, as follows:

1.—That the said steamship being tight, staunch and strong, and in every way fitted for the voyage (and according to Builders' scale and plan, which Owners believe to be correct, but do not guarantee, able to carry *about 2700* tons [2,240 lbs.] of [wheat or malze,] *dead-weight cargo,* in addition to necessary bunker coal, and having *about 145,000* cubic feet, grain space, available for such cargo), shall proceed to ..... [for orders, the same to be given at once by Charterers on receipt of the Captain's telegram advising vessel's arrival there; to load at] *New York and there load* according to custom of port, a full and complete cargo of [wheat and/or maize and/or other] lawful merchandise, *excluding guns, ammunition, explosives, barbed wire and injurious cargo. In the event of naphtha, benzine, calcium carbide, quicklime, ferro silicon or similar cargo being shipped, same to be loaded into specially constructed magazines (provided by Charterers and at their expense) in accordance with Danish insurance policy regulations,* including deckload at shipper's risk *and expense,* which Charterers bind themselves to furnish, and being so loaded shall therewith proceed, as ordered when signing bills of lading, to [a safe port in the United Kingdom, or Continent, between Bordeaux and Hamburg, both inclusive (Rouen excluded)] *Lisbon, Portugal,* or so near thereunto as she may safely get, and there, always afloat, deliver the cargo as customary at such wharf, dock or other safe place as Charterers' Agents may direct on arrival, in accordance with Bills of Lading, in consideration whereof Charterers shall pay the vessel freight as follows: *Two hundred sixty* shillings *(260/),* Sterling, per ton, *of 2,240 lbs. on basis of clause 2,* [If to a port in the United Kingdom or Continent, between Bordeaux and Hamburg, both inclusive, (Rouen excluded.)] .....[shillings].....[pence, Sterling, per ton, if]..... .....[shillings].....[pence, Sterling, per ton, if]..... *Total freight to be prepaid to Bowring & Company in cash, without discount, at current rate of exchange for bankers' short sight bills on London, upon signing of bills of lading and before vessel sails. Such freight never to be returnable to charterers' ship or cargo lost or not lost.*

2.—Charterers agree to load the vessel to full draft allowed by Underwriters' Surveyors, failing which they are to pay dead-freight for the number of *dead-weight tons of 2,240 lbs.,* short shipped, as shown by the excess buoyancy.

3.—Steamer to have liberty to sail with or without pilots, and to tow and assist vessels in all situations, [also to coal at Norfolk or Newport News, in which case Charterers or their Agents have the option of giving orders there; said orders to be given within 12 hours of arrival, or lay days to count, and for purposes of Freight to be considered as given on signing Bills of Lading. Captain to give written notice before signing Bills of Lading, whether he calls for coal or not, and at which coaling station.] Steamer to have liberty to coal [at a port in the United Kingdom or Copenhagen, if ordered to Denmark, Sweden, or the Baltic; or at Gibraltar, if ordered to the Mediterranean or Adriatic.] *en route.*

4.—[If ordered to Denmark, orders for the second port, if used, to be given on signing Bills of Lading, or after arrival at the first port at Charterers' option.]

5.—Should the Steamer be ordered to discharge [at a port on the Continent, excepting Rouen, where there is not sufficient water, under normal conditions, for the Steamer to enter first tide after arrival, and to lie always afloat, lay days are to count *the same as provided in clause 16 hereof* [from 24 hours after notice of arrival at nearest safe customary anchorage,] and any lighterage incurred to reach the port of discharge is to be at the expense and risk of the receiver of the cargo, any custom of the port to the contrary, notwithstanding.

6.—[Should the Steamer be ordered to a port of discharge in the Sound, Sweden, Denmark, or the Baltic, inaccessible by reason of ice on the Steamer's arrival, the Master shall have the option of waiting until the port is again open, or of proceeding to the nearest safe open port or roadstead (telegraphing his arrival there to Charterers), where he shall receive fresh orders for an open and accessible port of discharge, within said Countries or in the United Kingdom or Continent, as above, within 24 hours of arrival, or lay days to count. If so ordered, the Steamer shall receive the same Freight as if she had discharged at the port to which she was originally ordered.]

7.—[Freight payable per ton of 2,240 lbs. delivered on right delivery of cargo, in cash, if at a port in the United Kingdom, or at current rate of exchange for bankers' short sight bills on London if in any other country.]

8.—Charterers to [have the privilege of] designating wharves or other safe places for loading or discharging. The cargo to be brought to, and taken from alongside the Steamer, at Merchants' risk and expense. Steamer to supply steam and winchmen to drive winches, and to give use of necessary gear, also to load or discharge at night, on Sundays or holidays or on day when notice is given if required by Charterers, such time not counting, they paying all extra expenses and labor incurred, including overtime of winchmen. *Shore winchmen, if required, to be for charterers' account.*

9.—[Cash for Captain's ordinary disbursements at port of loading to be advanced, if required. Steamer paying two-and a-half per cent. commission and cost of insurance thereon, the amount of advance to be covered by Captain's draft payable three days after ship's arrival at port of discharge out of freight and on which the draft shall form a lien.] *No claim shall be made against owners owing to consequences of delay through difficulties with crew or steamer's inability to get bunkers, but owners to use all possible diligence in these matters.*

10.—Charterers are to load, stow and trim the cargo at their own expense, under the direction of the Master, but they shall not be responsible for improper stowage. Charterers to pay all port charges incidental to the outward cargo at loading port or ports, including elevating, stevedore, wharfage and tarpaulins, and to provide and fill sacks required to secure bulk grain, also dunnage mats, *dunnage feeders shifting boards,* if required, and to provide an agent for Custom House business, but owners to pay all port and other charges at loading port until steamer arrives at loading berth, *but American tonnage dues (if any are required) to be paid by steamer's agent are to be for charterers' account.*

11.—Charterers' Agent to pay cost of discharging cargo, pilotage, and all port charges incidental to their cargo at the discharging port or ports to which Steamer may be ordered, and to provide an

[1] Clauses in [ ] were omitted from the printed form; those in italics were put in with typewriter.

FORM 6SB.—NEW YORK NET GRAIN CHARTER PARTY (WAR CONDITIONS) (*Continued*)

agent for the Custom House business, free of commission. If owners employ tally clerks for receiving or delivering cargo, Charterers' tally clerks to have the preference at equal rates. [If steamer discharges at Newport Mon., and after discharging loads outward cargo there, the Newport dock dues (covering inward and outward entries) to be borne equally by charterers and owners.] Towages at discharging ports, other than assisting to berth or berths, to be for owners' account.

12.—[Charterers to have use of any dunnage or mats, etc., as may be aboard.]

13.—The Steamer shall be consigned to Charterers' Agents at ports of loading and discharge, and shall employ their Broker to attend to the Ship's business free of commission.

14.—The Captain shall sign bills of Lading or Master's Receipts as and when presented, without prejudice or reference to this Charter-party, and any difference between the amount of Freight by the Bills of Lading and this Charter-party, to be settled at port of loading before sailing, as customary.

15.—Lay days at port of loading are not to count before the *1st January, 1918*, unless with Charterers' written consent, and to commence on the day [following] receipt by Charterers' Agents of Captain's written notice of readiness, accompanied by Surveyor's Certificate. *Time shall thus count regardless of whether or not steamer is in berth congestion or consequences of war.* Should the Steamer not be ready to load on or before noon of the *31st January, 1918*—Charterers have the option of cancelling this Charter-party.

16.—*Ten (10)* running days (Sundays and holidays excepted) shall be allowed the Charterers for *all purposes including* loading and discharging. *Charterers guarantee a ready berth for steamer at the port of discharge, or failing steamer getting same lay days are to count from time of her arrival at or off the port, irrespective of berth, congestion or consequences of war.* Should the cargo not be delivered to Vessel at loading port and/or discharged at port [or ports] of destination within the specified time, for each and every day over and above said lay days, Charterers are to pay, day by day, the sum [of four pence per net register ton] *three hundred pounds* per day demurrage, any detention through Quarantine to vessel or cargo, not to count in lay days. If sooner dispatched, steamer to pay [£10 for each day saved]. *One hundred and fifty pounds for each lay day saved, Charterers guarantee the payment of all demurrage incurred at both ends, to Bowring & Co., New York.*

17.—The clauses herein regarding payment of port charges, stevedores, etc., at ports of loading and discharging refer only to such charges as are ordinarily incurred, any extra expenses caused by the steamer being under average, are to be adjusted in the usual way. All spaces to be placed at Charterers' disposal, which would be used for cargo if loading for Owner's account, and where cargo has been carried before.

18.—If the cargo cannot be delivered, loaded or discharged by reason of a strike or lockout of any class of workmen, or stoppage of labor or lighters, or anything beyond the control of the Charterers or Receivers essential to the delivery, loading or discharge of the cargo, the days for loading and discharging shall not count during the continuance of such strike, stoppage or lockout. A strike of the Receiver's men only shall not exonerate him from any demurrage for which he may be liable under this Charter if by the use of reasonable diligence he could have obtained other suitable labor or lighters.

19.—If the Nation under whose flag the Vessel sails be at war, whereby her free navigation is endangered, thereby causing extra or prohibitory insurance on the cargo, the Charterers shall have the privilege of cancelling this Charter-party at the last outward port of sailing, or at any subsequent period when the difficulty may arise previous to cargo being shipped. Charterers or stevedores shall not be responsible for any damage occurring while loading or discharging cargo by reason of any defect in Vessel's machinery or tackle, nor for neglect on the part of Vessel's officers or crew. *In the event of Denmark becoming engaged in war prior to the steamer's reporting for loading hereunder, owners to have liberty of cancelling this charter party.*

20.—The Act of God, perils of the sea, fire on board, in hulk or craft, or on shore, barratry of the Master and Crew, enemies, pirates and thieves, arrests and restraints of princes, rulers and people, collisions, stranding and other accidents of navigation excepted, even when occasioned by negligence, default or error in judgment of the Pilot, Master, Mariners, or other servants of the Shipowners. Not answerable for any loss or damage arising from explosion, bursting of boilers, breakage of shafts, or any latent defect in the machinery or hull, not resulting from want of due diligence by the Owners of the Ship, or any of them, or by the Ship's Husband or Manager. General average shall be adjusted according to York-Antwerp Rules, 1890.

It is also mutually agreed that this shipment is subject to all the terms and provisions of and all the exemptions from liability contained in the Act of Congress of the United States, approved on the 13th day of February, 1893, and entitled, "An Act relating to Navigation of Vessels," etc., and Bills of Lading are to be signed in conformity with said Act.

21.—[Charterers' liability to cease when the cargo is shipped,] the Owner or Master of the Steamer having an absolute lien upon the cargo for the recovery and payment of all Freight, Dead Freight, Demurrage, *Dues, Taxes, etc.*

22.—[Owners shall furnish Charterers with a copy of vessel's scale, and plan showing cubic capacities of all holds and spaces upon signing of this Charter-party.]

23.—Owners or Master shall cable *Bowring—New York* Vessel's departure from last port to enter upon this Charter, and they shall telegraph likewise, at once, if any accident happens to the vessel while under this contract.

24.—Penalty for non-performance of this agreement to be proven damages, not exceeding estimated amount of freight.

This charter is subject to the approval of the Interallied Chartering Executive, also the U. S. Shipping Board.

All dues and/or taxes on cargo or imposed on steamer by reason of having this cargo aboard to be for charterers' account. Bills of Lading shall be issued for all the cargo loaded into steamer, and shall contain the names of the firms to whom the cargo is consigned—following such names the following words shall be added "not to order."

Charterers guarantee that the United States Government Export Licenses will be furnished, covering all the cargo loaded into steamer.

Owners hereby guarantee the United States Shipping Board that the steamer will, following discharge at Lisbon, return to a United States Atlantic or Gulf port either with cargo or in ballast from Portugal, the Spanish Atlantic or North Africa, not below 25 degrees North, excluding the Mediterranean Sea.

..... running days (Sundays and Holidays excepted) remain for the discharge of this cargo. All conditions of this Charter-party have been complied with at loading port.....

The Brokerage of 2½ per cent on the gross amount of freight, dead freight and demurrage due under this Charter-party, Steamer lost or not lost, shall be paid by Owners to BOWRING & Co.

By cable authority dated *London, December 3rd, 1917. From Messrs. H. Clarkson & Co., for the Managing Owners* ..... [*Agents.*]
(*Signed*) *BOWRING & COMPANY,*
R. N. Black, Asst. Mgr. S B. Dept.
As Agents.

(*Signed*) *OCEAN TRANSPORTATION CORP.,*
Wm. F. Vidal, Pres.

We certify this to be a true copy of the original Charter-party in our Possession

.....[*Brokers.*]

loads outward cargo there, the Newport dock dues (covering inward and outward entries) to be borne equally by charterers and owners. Towages at discharging ports other than assisting to berth or berths, to be for owners' account."

Modified Gross and Net Charters

Many trip charters have been so modified that they are neither of the gross nor the net form and are variously referred to as modified gross or semi-net charters. The nitrate charter parties reproduced in Forms 69a and 69b, for example, are modified gross charters as the charter rate does not definitely cover the entire cost of discharging. They provide that when the cargo is discharged at the Atlantic or Gulf ports of the United States the charterers are to name the stevedore, while the owners are to pay agreed amounts for stevedoring and also "half the cost of weighing of three cents per bag." Loose nitrate is to be bagged at ship's expense, but the consignees are to provide bags and twine. Under the terms of the trip charter used in the Brazilian coffee import trade the coffee is sometimes discharged at the American importer's pier by his own stevedores, the owners agreeing to pay the charterer an agreed amount per bag for stevedoring and a per diem charge for the use of his pier. The so-called "Welsh form" of coal charter, reproduced in Form 70a, provides that the charterer shall discharge the cargo and that the owner shall pay him an agreed amount per ton to cover discharging expenses, and that all wharfage dues on the cargo shall be paid by the charterer. The sailing vessel charter commonly used in shipping corn or linseed from the River Plate to the United States requires the charterer to pay a number of specified port dues and to provide dunnage and shifting boards. In the usual "Cuban Ore charter" the freight paid by the charterer is in full of "all charges, pilotages, consulages, lighterage, trimming lights, Clyde dues, and all other dues customarily payable by steamers," but the provision governing loading and discharging makes it a modified gross charter. The captain is to supply the charterer's stevedore both at the ports of loading and discharge, paying to the charterer specified amounts per ton which may be deducted from freight. The standard "Cuban sugar charter" used in shipping sugar to the United States before 1917 was a gross

FORM 69A.—NITRATE CHARTER PARTY (PRE-WAR CONDITIONS)

NITRATE CHARTER PARTY[1]

BOWRING & COMPANY

17 BATTERY PLACE, NEW YORK

SHIP BROKERS AND STEAMSHIP AGENTS AND GENERAL COMMISSION MERCHANTS

NEW YORK, *February 18th, 1914.*

IT IS THIS DAY MUTUALLY AGREED between Messrs. ..... Company of Wilmington, Delaware, Charterers and *Messrs.* ..... *Co.* acting as Agents for the Owners of the good steamship, called the ..... classed *100 A1* of the burthen of *2581* tons net register or hereabouts, now *trading and expected ready load hereunder about April 20th.* Captain being bound to report by wire his arrival at and departure from port where steamer last is prior to entering on this charter, to his Owners, who are bound to inform Charterers of all news received from the steamer Witnesseth:—

1. That the said steamer, being tight, staunch and strong, well and sufficiently manned, stored and victualled, and in every respect fit to perform the voyage hereinafter mentioned shall, if bound to West Coast of South America in ballast, proceed in ballast to Valparaiso for orders, to be given within twenty-four hours after receipt of Master's notice of arrival to ..... Chile, Cable address, ... (to whom all applications referring to steamer and cargo on the West Coast have to be made) or if bound to West Coast with cargo, shall with all possible despatch, after having discharged such inward cargo, proceed, as ordered at last port of discharge (which orders are to be given before 12 o'clock noon on the day of completion of discharge of inward cargo at a port on the West Coast of South America, the Captain keeping Mr. .....well advised of when discharge will probably be completed and charterers always having privilege up to time of completion of discharge of altering any orders previously given) to load at one, two or three ports and/or adjacent Caletas between Taltal and Pisagua both included (Iquique and/or Pisagua and/or their adjacent Caletas counting for one port, also Tocopilla and/or Mejillones and/or Antofagasta and/or Caleta Coloso counting as one port), where she shall receive a full and complete cargo of Nitrate of Soda in bags not exceeding what she can reasonably stow and carry over and above her cabin, tackle, apparel, provisions and furniture. It is hereby mutually agreed that the steamer shall not load more than *6800* tons and not less than *6300* tons English gross weight. The Master must declare upon arrival at the first loading port the exact amount of cargo he will take within twenty-five tons more or less.

2. The steamer to pay all port charges and to be consigned in the said ports of loading to Charterer's Agents, to whom the customary agency fee of Five pounds British sterling for doing the steamer's business shall be paid by the Master, payable at one port only.

3. The cargo to be placed by the shippers free alongside of the steamer at the Shippers' risk and expense.

The loading of the said cargo shall be at an average rate of not less than 500 tons per working day, the lay days not to commence before the *10th of April, 1914*, to be reckoned from the day after the Master gives notice in writing that the steamer (being clear of all inward cargo, and being well cleaned by the crew) is ready to receive cargo at port of loading to her day of despatch, and in addition ten running days on demurrage are to be allowed Charterers at the rate of fourpence British sterling per net registered ton per day, or its equivalent for each and every day's detention, payable daily. It is understood that the lay days shall be reckoned according to the custom of the West Coast, viz. taking the word "working" to exclude surf days, Sundays and all other holidays, whether ecclesiastical or civil, also days of strikes and lockouts. Time occupied in shifting ports not to count as lay days. Should the steamer be unnecessarily detained at any other period of the voyage, such detention to be paid for by the party delinquent at the above-named rate of demurrage.

4. The Master to give notice in writing, when he is ready to receive or deliver cargo, and Charterer's Agents to inform him in like manner when he is at liberty to proceed on his voyage. Bills of Lading containing negligence clause as per clause 12 to be signed by the Master, "weight and quality unknown all on board to be delivered" at such rate of freight as Charterers or their Agents may direct, but at not less a rate than hereinafter stipulated, and without prejudice to this Charter Party.

5. The cargo to be properly stowed, Owners to employ Charterers' stevedore and the necessary dunnage to be found by the steamer, and the Owners to be responsible for bad stowage; but should Charterers require different parcels of the cargo to be separated for other purposes than for the prevention of damage, they are to find the materials. No cargo to be received on board except by order of the Charterers or their Agents. Owners are to have an accurate tally kept of the number of bags placed aboard steamer, furnishing enough competent men to secure such tally, but not less than one tally man to each hatch when being worked.

6. After the despatch of the steamer, loaded as aforesaid, should the vessel put into port of distress, or be under average, she is to be consigned to Charterers or their Agents, paying them usual charges and commissions, and, in case average statement be required, the same to be made by adjusters appointed by Charterers who are to attend to settlement and collection of the average subject to customary charges. General average, if any, to be adjusted according to the York-Antwerp Rules, 1890.

7. After receiving on board the said cargo, stowing it in the customary manner and being duly cleared out at the Custom House, the said steamer shall proceed under full steam to St. Lucia, St. Thomas or Trinidad where the Master shall receive orders from the ..... Company, of ..... (cable address .....) sent by them within 24 hours, Sundays and holidays excepted, after they receive the Master's telegraphic advices of arrival, to proceed to any one safe Atlantic or Gulf port in the United States between Boston and Galveston, both included; or she shall, as ordered, proceed direct to port or ports included within the range of above options or as near thereunto as she can safely get and there, always afloat, according to Bills of Lading and Charter party, deliver the cargo, which is to be discharged and taken from alongside according to the custom of the port for steamers, and so end the voyage. Charterers to have the option of a second port of discharge within the range above provided for, such option to be declared on or before the completion of discharging at first port of discharge *but in case this option is availed of, such second port to be in the Gulf if first port of discharge is a Gulf port, or the Atlantic if first port is an Atlantic port.*

8. It is understood and agreed that should the steamer be ordered to the Delaware River, Charterers are to have the option of discharge at three ports on the Delaware River (Pigeon's Point and/or Thompsons Point and/or Philadelphia in any order) not north of Philadelphia, as ordered on arrival at Delaware Breakwater, such three ports on the Delaware River only counting as one port of discharge under this Charter. Charterers agree that the port charges (including towages and boatages) of the three Delaware River ports, if used, shall not exceed the port charges of two Delaware River ports, and that lay days shall count the same as if steamer discharged at two ports in the Delaware River.

9. [After receiving on board the said cargo, stowing it in the customary manner and being duly

[1] Clauses in [ ] were omitted from the printed form; those in italics were put in with typewriter.

FORM 69A.—NITRATE CHARTER PARTY (PRE-WAR CONDITIONS) (*Continued*)

cleared out at the Custom House, the said steamer shall proceed under full steam to San Francisco where the Master shall receive orders from the E. I. du Pont de Nemours Powder Co., of Wilmington, Delaware (through their representative at San Francisco) to be given by him within 24 hours, Sundays and Holidays excepted, after they receive the Master's written advice of arrival to proceed with his steamer for discharge at San Francisco (City or Bay) and/or du Pont, Washington, or as near thereunto as she can safely get and there, always afloat, according to Bills of Lading and Charter Party, deliver the cargo, which is to be discharged and taken from alongside according to the custom of the port for steamers, and so end the voyage. If Charterers exercise the option of discharging at both ports this option to be declared on or before the completion of discharging at first port of discharge.]

10. [Charterers to have the option on signing Bills of Lading of ordering the steamer either direct to a port within the aftermentioned limits or to St. Vincent, where she shall receive orders from Charterers within twenty-four hours (Sundays and Bank Holidays excepted) after receipt of Master's telegraphic advice of arrival to proceed with his steamer for discharge to a safe port in the United Kingdom or on the Continent between Havre and Hamburg, both included, or so near thereunto as she may safely get, always afloat and there, according to Bills of Lading and Charter Party, deliver the whole of her cargo, which is to be discharged and taken from alongside according to the custom of the port for steamers, and so end the voyage. Charterers to have the option of a second port of discharge within the range provided for in this clause, such option to be declared on or before the completion of discharging at first port of discharge.]

11. Charterers' Agents have the privilege of naming the discharging dock or place, provided they avail themselves of same within twenty-four hours before the arrival of the steamer at port of discharge is notified to them by the Master or his Agent, and such dock or place to be one into which she can at once safely enter and lie afloat at all times. [If ordered to Hamburg steamer to discharge in stream if required by Charterers.]

12. In consideration of all which the Charterers do hereby agree to pay or cause to be paid, to the Captain or his order for freight of the said steamer, on true and right delivery of the cargo in the port of discharge, according to the Bills of Lading and Charter Party. [If sent to a port of call for orders to discharge in United States] *nineteen* shillings ..... pence say *19/* British Sterling (without reduction if orders are given before sailing to proceed to a direct port of discharge,) in full, per ton of 2,240 pounds Avoirdupois English gross weight delivered. [If sent to a port of call for orders to discharge in the United Kingdom or on the Continent] ..... [shillings] .....[pence say].....[British Sterling (without reduction if orders are given before sailing to proceed to a direct port of discharge), in full, per ton of 2,240 pounds of Avoirdupois English gross weight delivered.]

If a second port of discharge {[in the United States] / [in the U. K. or on Continent (bet. H. and H.)]} is used *twelve* (*12*) pence British Sterling additional freight on entire cargo per ton 2,240 pounds delivered to be paid.

13. Freight to be payable in the following manner: [If discharged in the United States], one third in cash on arrival at the current rate of exchange for short bills on London, and the remainder after true delivery in Charterer's drafts on their London office at ninety days' sight free of all discount, or in cash less three months' discount at the rate of 5% per annum at the option of consignees. [If discharged in the United Kingdom one-third in cash on arrival without discount, and remainder on true and right delivery of the cargo, likewise in cash without discount, or if discharged at a port on the Continent, one-third in cash on arrival at the printed rate of exchange for short date bills on London without discount, and remainder on true and right delivery of the cargo in good and approved banker's sight bills on London.] In the event of the steamer having free wharfage at port of discharge, a reduction of four pence (4d) per ton of 2,240 pounds, to be made in the freight rate.

14. The Master if required by him to be supplied at port of loading with a sum not exceeding five hundred pounds Sterling (£500) at the current rate of exchange, and subject to 5 per cent to cover interest, commission, and cost of insurance, to be deducted from the first payment of freight after arrival of the vessel at the port of discharge. And it is hereby expressly agreed that the receipt of the master for any such sum or sums of money as shall be supplied or advanced to him by the Charterers shall be conclusive and binding upon the owners, and they shall hereby be prevented as between them and the Charterers from inquiry into the necessity for or the appropriation of the sum of money, which in such receipt or receipts shall be acknowledged to have been received.

15. The act of God, earthquakes, inundation, perils of the sea, fire, barratry of the master and crew, enemies, pirates, assailing thieves, arrest and restraint of princes, rulers and people, political disturbances or impediments, strikes and lockouts, collisions, stranding and other accidents of navigation, even when occasioned by the negligence, default or error in judgment of the pilot, Master, mariners, or other servants of the Shipowners, from the signing of this Charter Party to the conclusion of the said voyage, always mutually excepted.

16. The steamer has liberty to call at any port in any order for coaling purposes, and to sail without pilots, to tow and assist vessels in distress, and to deviate for the purpose of saving life and property. Owners or master must notify Charterers by wire within twenty-four hours after sailing of steamer's departure from the final coaling port for port of discharge in the United States. In case owners fail to give such immediate telegraphic notification Charterers shall not be responsible for any resulting loss of time incurred at discharging port.

17. Steamer not answerable for losses through explosion; bursting of boilers, breakage of shafts, or any latent defect in the machinery or hull, not resulting from want of due diligence by the Owners of the Ship, or any of them, or by the Ship's husband or manager. All and any liability of the Charterers under this Agreement shall cease and determine as soon as the cargo is on board and upon payment of the aforesaid advance Freight; all questions abroad whether of demurrage or otherwise to be settled and adjusted at port of loading, the Owner and Captain having a lien on the cargo for demurrage and damage for detention, as well as for freight and dead freight.

18. Should the steamer not be ready to load at loading port on or before 6 P. M. on *May 10th, 1914*, Charterers' Agents to have the option of canceling this Charter Party.

19. Steamer to pay half the expense of weighing, of three cents per bag, and loose nitrate to be bagged at ship's expense, consignees providing bags and twine for their account. If the steamer discharges at a U. S. Atlantic or U. S. Gulf port, the Charterers are to name the stevedore who will discharge the cargo, for which the Owner of said Steamer will pay thirty-five cents per ton. [If the steamer discharges at a United States West Coast port, Charterer's stevedore to be employed at current rates.]

20. Steamer to supply canvas slings, 8 feet by 8 feet, for loading and discharging cargo.

21. And for the true and punctual fulfillment of each and all the conditions herein mentioned, the contracting parties do hereby bind themselves to each other in the penal sum of the estimated amount of freight, to be forfeited and paid by the party delinquent to the party observant.

22. Brokerage of five per cent. is due to Bowring & Company on signing of this Charter Party, ship lost or not lost, and Steamer to be consigned to them or their Agents, as shipbrokers, at port of discharge, or to forfeit twenty pounds British Sterling damages.

(*Signed*).....Witness to the Signature of (*Signed*).....*Co.*
.....*T. M.*

(*Signed*) ..... Witness to the Signature of (*Signed*) ..... *& Company*
.....
.....

As agents for Owners by cable authority of *Messrs.* ..... *& Co., London.*

WE HEREBY CERTIFY the above to be a true copy of the original Charter Party in our possession.

FORM 69B.—NITRATE CHARTER PARTY (WAR CONDITIONS)

NITRATE CHARTER PARTY [1]

BOWRING & COMPANY

17 BATTERY PLACE, NEW YORK

SHIP BROKERS AND STEAMSHIP AGENTS AND GENERAL COMMISSION MERCHANTS

New York, June 14, 1918.

IT IS THIS DAY MUTUALLY AGREED between ..... Company of Wilmington, Delaware, Charterers, and *U. S. Shipping Board*, acting as Agents for the *Chartered* Owners of the good steamship, called the *AWA MARU*, classed *100 A1*, of the burthen of *3912* tons net register or thereabouts, now *expected due at Seattle about June 18th*. Captain being bound to report by wire his arrival at and departure from port where steamer last is prior to entering on this charter, to his Owners, who are bound to inform Charterers of all news received from the steamer Witnesseth:—

1. That said steamer, being tight, staunch and strong, well and sufficiently manned, stored and victualled, and in every respect fit to perform the voyage hereinafter mentioned shall, if bound to West Coast of South America in ballast, proceed in ballast to Ara if coming South or Taltal if going North for orders, to be given within twenty-four hours after receipt of Master's notice of arrival to.... ..... Chile, Cable address, ... (to whom all applications referring to steamer and cargo on the West Coast have to be made) or if bound to West Coast with cargo, shall with all possible despatch, after having discharged such inward cargo, proceed, as ordered at last port of discharge (which orders are to be given before 12 o'clock noon on the day of completion of discharge of inward cargo at a port on the West Coast of South America, the Captain keeping Mr. Edge well advised of when discharge will probably be completed and charterers always having privilege up to time of completion of discharge of altering any orders previously given) to load at one or two [or three] ports and/or adjacent Caletas between Taltal and Pisagua both included (Iquique and/or Pisagua and/or their adjacent Caletas counting for one port, also Tocopilla and/or Mejillones and/or Antofagasta and/or Caleta Coloso counting as one port), where she shall receive a full and complete cargo of Nitrate of Soda in bags not exceeding what she can reasonably stow and carry over and above her cabin, tackle, apparel, provisions and furniture. It is hereby mutually agreed that the steamer shall not load more than *7700* tons and not less than *7100* tons English gross weight. The Master must declare upon arrival at the first loading port the exact amount of cargo he will take within twenty-five tons more or less.

2. The steamer to pay all port charges and to be consigned at the said ports of loading to Charterer's Agents, to whom the customary agency fee of Five pounds British Sterling for doing the steamer's business shall be paid by the Master, payable at one port only.

3. The cargo to be placed by the shippers free alongside of the steamer at the Shipper's risk and expense.

The loading of the said cargo shall be at an average rate of not less than *800* tons per working day, the lay days not to commence before the *15th July, 1918*, to be reckoned from the day the Master gives notice in writing that the steamer (being clear of all inward cargo, and being well cleaned by the crew) is ready to receive cargo at port of loading to her day of despatch, and in addition ten running days on demurrage [are to] *or held by* be allowed Charterers at the rate of fourpence British Sterling per net registered ton per day, or its equivalent for each and every day's detention, payable daily. It is understood that the lay days shall be reckoned according to the custom of the West Coast, viz.; taking the word "working" to exclude surf days, Sundays and all other holidays, whether ecclesiastical or civil, also days of strikes and lockouts. Time occupied in shifting ports not to count as lay days. Should the steamer be unnecessarily detained at any other period of the voyage, such detention to be paid for by the party delinquent at the above-named rate of demurrage.

4. The Master to give notice in writing, when he is ready to receive or deliver cargo, and Charterer's Agents to inform him in like manner when he is at liberty to proceed on his voyage. Bills of Lading containing negligence clause as per clause 14 to be signed by the Master, "weight and quality unknown all on board to be delivered" at such rate of freight as Charterers or their Agents may direct, but at not less a rate than hereinafter stipulated, and without prejudice to this Charter Party.

5. The cargo to be properly stowed, Owners to employ Charterers' stevedore and the necessary dunnage to be found by the steamer, and the Owners to be responsible for bad stowage; but should Charterers require different parcels of the cargo to be separated for other purposes than for the prevention of damage, they are to find the materials. No cargo to be received on board except by order of the Charterers or their Agents. Owners are to have an accurate tally kept of the number of bags placed aboard steamer, furnishing enough competent men to secure such tally, but not less than one tally man to each hatch when being worked.

6. [After the despatch of the steamer, loaded as aforesaid, should the vessel put into port of distress, or be under average, she is to be consigned to Charterers or their Agents, paying them usual charges and commissions, and, in case average statement be required, the same to be made by adjusters appointed by Charterers who are to attend to settlement and collection of the average subject to customary charges.] General averages, if any, to be adjusted according to the York-Antwerp Rules, 1890.

7. After receiving on board the said cargo, stowing it in the customary manner and being duly cleared out at the Custom House, the said steamer shall proceed under full steam to Colon, [St. Lucia, St. Thomas or Trinidad at Owners' option] where the Master shall receive orders from the ..... Company, of ..... (cable address .....) sent by them within 24 hours, Sundays and holidays excepted, after they receive the Master's telegraphic advices of arrival, to proceed to any one safe Atlantic or Gulf port in the United States between Boston and Savannah both included; or she shall, as ordered, proceed direct to port included within the range of above options or as near thereunto as she can safely get and there, always afloat, according to Bills of Lading and Charter party, deliver the cargo, which is to be discharged and taken *but at an average rate of not less than 800 tons per weather working day, Sundays and holidays excepted*, from alongside according to the custom of the port for steamers, and so end the voyage. [Charterers to have the option of a second port of discharge within the range above provided for, such option to be declared on or before the completion of discharging at first port of discharge.] *Any time saved in loading to count as additional time for dis-*

[1] Clauses enclosed in [ ] were eliminated from the printed form; those in italics were inserted with typewriter.

FORM 69B—NITRATE CHARTER PARTY (WAR CONDITIONS) (*Continued*)

charging and vice versa, if longer detained charterers to pay demurrages of $2700 per day or pro rata for part of day.

8. It is understood and agreed that should the steamer be ordered to the Delaware River, Charterers are to have the option of discharge at three ports on the Delaware River (Pigeon's Point and/or Thompson's Point and/or Deepwater Point and/or Philadelphia in any order) not north of Philadelphia, as ordered on arrival at Delaware Breakwater, such three ports on the Delaware River only counting as one port of discharge under this Charter. Charterers agree that the port charges (including towages and boatages) of three Delaware River ports, if used, shall not exceed the port charges of two Delaware River ports, and that lay days shall count the same as if steamer discharged at two ports in the Delaware River.

9. [After receiving on board the said cargo, stowing it in the customary manner and being duly cleared out at the Custom House, the said steamer shall proceed under full steam to San Francisco where the Master shall receive orders from the E. I. du Pont de Nemours & Co., of Wilmington, Delaware (through their representative at San Francisco) to be given by him within 24 hours, Sundays and holidays excepted, after they receive the Master's written advice of arrival to proceed with his steamer for discharge at San Francisco (City or Bay) and/or du Pont, Washington and/or Powder Point, British Columbia, or as near thereunto as she can safely get and there, always afloat, according to Bills of Lading and Charter Party, deliver the cargo, which is to be discharged and taken from alongside according to the custom of the port for steamers, and so end the voyage. If Charterers exercise the option of discharging at two or three ports this option to be declared on or before the completion of discharging at first port of discharge.]

10. Charterers' Agents have the privilege of naming the discharging dock or place, provided they avail themselves of same within twenty-four hours before the arrival of the steamer at port of discharge is notified to them by the Master or his Agent, and such dock or place to be one into which she can at once safely enter and lie afloat at all times.

11. In consideration of all which the Charterers do hereby agree to pay or cause to be paid, to the *Chartered owners* [Captain or his order for] freight of the said steamer, on true and right delivery of the cargo in the port of discharge according to the Bills of Lading and Charter Party. If sent to a port of call for orders *twenty-five dollars ($25.00) U. S. Gold* [shillings] ..... [pence say] ..... [British Sterling] (without reduction if orders are given before sailing to proceed to a direct port of discharge), in full, per ton of 2,240 pounds Avoirdupois English gross weight delivered.

12. Freight to be payable in the following manner. One-third in cash on arrival at the current rate of exchange for short bills on London, and the remainder after true delivery [in Charterer's drafts on their London office at ninety days' sight free of all discount, or in cash less three months' discount at the rate of 5% per annum at the option of consignees. In the event of the steamer having free wharfage at port of discharge, a reduction of four pence (4d) per ton of 2,240 pounds, to be made in the freight rate.]

13. The Master if required by him to be supplied at port of loading with a sum not exceeding *Twenty*-five hundred pounds Sterling (*£2500*), at the current rate of exchange, and subject to 5 per cent. to cover interest, commission, and cost of insurance, to be deducted from the first payment of freight after arrival of the vessel at the port of discharge. And it is hereby expressly agreed that the receipt of the master for any such sum or sums of money as shall be supplied or advanced to him by the Charterers shall be conclusive and binding upon the owners, and they shall hereby be prevented as between them and the Charterers from inquiry into the necessity for or the appropriation of the sum of money, which in such receipt or receipts shall be acknowledged to have been received.

14. The act of God, earthquakes, inundation, perils of the sea, fire, barratry of the master and crew, enemies, pirates, assailing thieves, arrest and restraint of princes, rulers and people, political disturbances or impediments, strikes and lockouts, collisions, stranding and other accidents of navigation, even when occasioned by the negligence, default or error in judgment of the pilot, Master, Mariners, or other servants of the Shipowners, from the signing of this Charter Party to the conclusion of the said voyage, always mutually excepted.

15. The steamer has liberty to call at any port in any order for coaling purposes, and to sail without pilots, to tow and assist vessels in distress, and to deviate for the purpose of saving life and property. Owners or master must notify Charterers by wire within twenty-four hours after sailing of steamers' departure from the final coaling port for port of discharge in the United States. [In case owners fail to give such immediate telegraphic notification Charterers shall not be responsible for any resulting loss of time incurred at discharging port.]

16. Steamers not answerable for losses through explosion; bursting of boilers, breakage of shafts, or any latent defect in the machinery or hull, not resulting from want of due diligence by the Owners of the Ship, or any of them, or by the Ship's husband or manager. All and any liability of the Charterers under this Agreement shall cease and determine as soon as the cargo is on board and upon payment of the aforesaid advance Freight; all questions abroad whether of demurrage or otherwise to be settled and adjusted at port of loading, the Owner and Captain having a lien on the cargo for demurrage and damage for detention, as well as for freight and dead freight.

17. Should the steamer not be ready to load at loading port on or before 6 P. M. on *1st September, 1918*, Charterers' Agents to have the option of cancelling this Charter Party.

18. Steamer to pay half the expense of weighing, of three cents per bag, and loose nitrate to be bagged at ship's expense, consignees providing bags and twine for their account. [If the steamer discharges at a U. S. Atlantic or U. S. Gulf port, the] Charterers are to name the stevedore who will discharge the cargo, for which the Owner of said Steamer will pay *current rates*. [If the steamer discharges at a United States West Coast port, Charterer's stevedore to be employed at current rates.]

19. Steamer to supply canvas slings, 8 feet by 8 feet, for loading and discharging cargo.

20. And for the true and punctual fulfillment of each and all of the conditions herein mentioned, the contracting parties do hereby bind themselves to each other in the penal sum of the estimated amount of freight, to be forfeited and paid by the party delinquent to the party observant.

21. [Brokerage of five per cent. is due to Bowring & Company on signing of this Charter Party, ship lost or not lost, and Steamer to be consigned to them or their Agents, as shipbrokers, at port of discharge, or to forfeit twenty pounds British Sterling damages.]

An address commission of 2½% is due to charterers on the amount of freight earned under this Charter.

This Charter is subject to the approval of the Chartering Committee of the U. S. Shipping Board.

Witness to the Signature of

..... (*Signed*) ..... *& Co.*

Witness to the Signature of ..... *Traf. Mgr.*

(*Signed*) *U. S. Shipping Board,*

As agents for Owners by cable authority of

.....

WE HEREBY CERTIFY the above to be a true copy of the original Charter Party in our possession.

FORM 70A.—COAL CHARTER PARTY—WELSH FORM

COAL CHARTER PARTY—WELSH FORM[1]

BOWRING & CO.

STEAMSHIP AGENTS AND BROKERS

17 STATE STREET, NEW YORK

New York, June 3rd, 1915.

IT IS THIS DAY MUTUALLY AGREED, between ..... *& Co.*, ...*Agents for* Owners of the *Greek* Steamship ..... of ....., built *1907*, at *Stockton* of *2691* net tons register or thereabouts, and about ..... tons dead weight exclusive of bunkers, classed *1st class* in ..... now *trading* and *Messrs.* ..... *Co., of New York.*

1. That the said Steamer being tight, staunch, and strong, and every way fitted for the Voyage, shall, with all possible dispatch, sail and proceed to *Baltimore or Hampton Roads, at Charterers' option orders to be given before leaving last port in ballast* and there load, always afloat, in the customary manner, from the Charterers, in such Dock as may be ordered by them on or before arrival [in]..... [Roads]..... a full and complete Cargo of ..... Coal not exceeding *6700* tons, nor less than *6200* tons, and not exceeding what she can reasonably stow and carry, over and above her Tackle, Apparel, Provisions and Furniture; and being so loaded, shall therewith proceed, with all possible dispatch, to *Marseilles, Genoa, Savona, Spezzia, Naples, Leghorn or Civita Vecchia, as ordered on signing bills of lading* or so near thereunto as she can safely get, and there deliver her cargo alongside any Wharf, and/or Vessel and/or Craft, as ordered, where she can safely deliver, always afloat, but if required to shift, the expense of so doing to be paid by Consignees, and the time to count: on being paid Freight at the rate of *forty shillings (40/) if ordered to Marseilles or forty-five shillings (45/) if ordered to Spezzia, Genoa, Naples, Savona, Leghorn or Civita Vecchia, one port only*, per ton of 20 cwt. or 1,015 kilos [delivered, or] on Bill of Lading quantity less two per cent., [at Receiver's option, to be declared in writing, before bulk is broken. If the Receiver should elect to weigh the Cargo at the port of destination, the weighing shall be done (by an official weigher) at his expense The owner may provide a check weigher at Steamer's expense. Should any deficiency be alleged on the authority of such weighing, it shall affect the freight only, from which no deduction shall be made for alleged shortage of cargo, any custom of the port of discharge notwithstanding, but the] owner shall furnish, if required, a Statutory Declaration by the Master and other officers that all the Cargo received on board has been delivered. The freight is in full of Trimming, and of all Port Charges, Pilotage, and Consulages on the Vessel. All Wharfage dues on the Cargo to be paid by the Charterers.

2. A sailing telegram to be sent to the Charterers or their agents on Steamer leaving her last port, or in default twenty-four hours more to be allowed for loading.

3. The cargo to be loaded *with customary despatch* [hours] (excluding Bunkering time, Sundays, Custom House, Colliery, and Local Holidays, and from 5 p. m. on Saturday or the day previous to any such Holiday to 7 a. m. on Monday, or the day after any such Holiday, unless used) commencing when written notice is given of Steamer being completely discharged of inward cargo and ballast in all her holds, and ready to load, such notice to be given between business hours of 9 a. m. and 5 p. m., or 1 p. m. on Saturdays. Any time lost through riots, strikes, lockouts, or any dispute between masters and men, occasioning a stoppage of pitmen, trimmers, or other hands connected with the working or delivery of the coal for which the Steamer is stemmed, or by reason of accidents to mines or machinery, obstructions on the Railway or in the Docks; or by reason of floods, frosts, fogs, storms or any cause beyond the control of the Charterers, not to be computed as part of the loading time (unless any cargo be actually loaded during such time). In the event of any stoppage or stoppages arising from any of these causes continuing for the period of six running days from the time of the vessel being ready to load, this Charter shall become null and void, provided, however, that no cargo shall have been shipped on board the Steamer previous to such stoppage or stoppages. In case of partial holiday, or partial stoppage of Colliery or Collieries from any or either of the aforenamed causes, the lay hours to be extended proportionately to the diminution of output arising from such partial holiday or stoppage. If longer detained, Charterers to pay *one* Shilling *per ton on steamer's net register per day* [per running hour] demurrage. No deduction of time shall be allowed for stoppages, unless due notice be given at the time to the Master or Owner. If any dispute or difference should arise under this charter, same to be referred to three parties in the City of New York, one to be appointed by each of the parties hereto, the third by the two so chosen and their decision, or any of them, shall be final and binding, and this agreement may, for enforcing the same, be made a rule of Court.

4. The Cargo to be trimmed by men appointed by the Charterers at the tariff rate of the Port.

5. Bunker Coals to be kept properly separated from the Cargo to Charterers' satisfaction at the Steamer's expense and the quantity to be endorsed on the Bills of Lading. If any Cargo is carried in a hold communicating directly with the Stokeholds, the doors to be securely fastened on the Cargo side.

6. The Bills of Lading shall be prepared in accordance with the Dock or Railway weight in the form endorsed on Charter, and shall be endorsed by the Master, Agent or Owner, weight unknown freight and all conditions as per this Charter, such Bills of Lading to be signed at the Charterers' or Shippers' Office, within twenty-four hours after the Steamer is loaded.

7. The Act of God, the King's Enemies, Restraints of Princes and Rulers, and Perils of the Seas excepted. Also Fire, Barratry of the Master and Crew, Pirates, Collisions, Strandings and Accidents of Navigation, or latent defects in, or accidents to, Hull and/or Machinery, and/or Boilers, always excepted, even when occasioned by the negligence, default or error in judgment of the Pilot, Master, Mariners, or other persons employed by the Shipowner, or for whose acts he is responsible, not resulting, however, in any case from want of due diligence by the Owner of the Ship, or by the Ship's Husband or Manager. Charterers not answerable for any negligence, default, or error in judgment of Trimmers or Stevedores employed in loading or discharging the Cargo. The Steamer has liberty to call at any ports in any order, to sail without Pilots, to tow and assist vessels in distress, and to deviate for the purpose of saving life or property, and to bunker. It is also mutually agreed that this shipment is subject to all the terms and provisions of and all the exemptions from liability contained in the Act of Congress of the United States, approved on the 13th day of February, 1893, and entitled "An Act relating to Navigation of Vessels," etc.

8. The Cargo to be taken from alongside by Consignees at [Port of Discharge,] *Marseilles*, free of expense and risk to the Steamer, at the average rate of *six hundred (600)* tons per day, weather permitting, Sundays and holidays excepted, provided Steamer can deliver it at this rate; *and at Genoa, Spezzia, Naples, Savona, Leghorn, Civita at the customary rate per day according to the Italian scales for discharging and stevedoring;* if longer detained, Consignees to pay Steamer demurrage at the rate of

[1] Clauses enclosed in [ ] were eliminated from the printed form; those in italics were inserted with typewriter.

FORM 70A.—COAL CHARTER PARTY—WELSH FORM (*Continued*)

one shilling per net register ton per running day (or pro rata for part thereof). Time to commence [when Steamer is ready to unload and written notice given,] *from arrival of Steamer at or off port*, whether in berth or not. In case of strikes, lockouts, civil commotions, or any other causes or accidents beyond the control of the Consignees which prevents or delays the discharging, such time is not to count unless the Steamer is already on demurrage. Consignees to effect the discharge of the Cargo, Steamer paying *one shilling at Marseilles or according to customary Italian scale if at one of above-mentioned Italian ports* per ton of 20 cwt., or 1,015 kilos, and providing only steam, steam-winches, winchmen, gins, and falls.

9. The FREIGHT to be paid *in advance* [if required by the Owner] on signing Bills of Lading (ship lost or not lost), in Cash, less 3 per cent. for Insurance and Interest *at sight rate of exchange*; [(the Owner or his Agents giving Charterers or Shippers written notice before the Steamer commences loading, if any advance freight is required), and the remainder on right delivery of the Cargo, in sufficient Cash for Steamer's ordinary disbursements at current exchange, and the balance (unless otherwise arranged between the Owners and Charterers) by a good and approved Bill on London at three Months' date, or in Cash equal thereto at Captain's option. The Receiver of the Cargo to be bound to pay freight on account during delivery, if required by the Captain. The Charterers' account at port of loading to be paid when rendered, otherwise the Charterers may deduct it on settlement of freight at port of destination (together with a charge of three per cent. to cover all charges including Insurance and Interest.)]

10. The Steamer to be free of address at Port of Discharge, but to pay the usual Commission of Two per cent., on the amount of Freight on signing Bills of Lading.

Charterers have option of making the Address Commission payable at Port of Discharge.

11. In case of Average, the same to be settled according to York/Antwerp Rules, 1890, and as if the vessel were British. Should the vessel put into any Port or Ports leaky or with damage, the Captain or Owner shall without delay inform the Charterers thereof.

Captain to Telegraph Charterers in case of putting in anywhere.

12. Loading hours not to commence before 9 a. m. on *August 20th* and if Ship be not ready in loading dock as ordered before 9 a. m. on *September 20th, 1915*, or if any wilful misrepresentation be made respecting the size, position or state of the Steamer, Charterers to have the option of cancelling this Charter, such option to be declared on notice of readiness being given.

Charterers to supply first class bunker coals required at loading port at $3.25 per ton of 2,240 lbs., if Baltimore or $3.40 if Virginia, trimmed in bunkers.

13. The Charterers' liability shall cease as soon as the Cargo is shipped, and the advance of Freight, Dead Freight, and Demurrage in Loading (if any) are paid, the owner having a lien on the Cargo for Freight, Demurrage and Average.

14. Penalty for non-performance of this Agreement, proved damages, not exceeding the estimated amount of Freight.

15. A commission of five per cent. and the customary Freight Brokerage is due by the Vessel on signing of this Charter Party to BOWRING & COMPANY, Vessel lost or not lost, whose Agents at Port of Loading are to attend to ship's business on customary terms.

Witness to the Signature of	(*Signed*) .....*Company*
(*Signed*).....	.....
Witness to the Signature of	
(*Signed*).....	As Agents by cable authority of .....*London*
.....	(*Signed*) *The* .....*Co., Inc.*
.....	.....

charter unless in particular instances special modifying provisions were written into the printed form. The printed form was modified only in that the steamer was free of weighing charges at the ports of discharge. The sugar charter of the United States Shipping Board which has been used since 1917 is also a gross charter with minor modifications. The shipper or his agent is responsible for the expense of towing between Savannah and the refinery at Port Wentworth, and the vessel is free of weighing charges at ports of discharge.

An example of a modified semi-net charter party is the Savannah (lump sum) charter. Its charter rate, which is unusual in that it is based upon net register tonnage of the vessel instead of upon cargo tonnage, is "in full of all port charges and pilotages." The "charterers are to pay for loading cargo and compressing cotton at loading port, but no other charges." The "asphalt charter" commonly used when steamers are chartered to carry asphalt from Trinidad to the United States is primarily a net charter. It holds the

charterer responsible for the expense of loading cargo at Brighton, Trinidad, and for discharging it in the United States, but provides that the steamer is "to pay seven cents per long ton for trimming asphalt in bulk and ten cents per long ton for

CARGO.

tons in
tons in
tons in
tons in
Total Tons

Coals on Board for Ship's use
Independent of Cargo.
tons in
tons in
tons in bunkers

tons in bunkers on arrival
Total Tons

Received on account of freight

Pounds _____ Shillings,
and _____ Pence, on which insurance
and interest have been paid.

£ _____

Shipped in good order and condition by _____
hold of _____ in and upon the good Steam
" Ship called the _____ whereof
" _____ is Master for this present Voyage
" _____
and bound for _____
with liberty to call at any ports in any order, to sail without Pilots, and to tow and assist vessels in distress, and to deviate for the purpose of saving life and property.

which are to be delivered in the like good order and condition at the said Port of

The Act of God, the King's Enemies, Restraint of Princes and Rulers, Perils of the Sea, accidents, Fire, Barratry of the Master and Crew, Pirates, Collisions, Stranding, and Accidents of Navigation, or latent defects in, or Accidents to, Hull and/or Machinery, and/or Boilers always excepted, even when occasioned by the negligence, default or error in judgment of the Pilot, Master, Mariners, or other persons employed by the Shipowner, or for whose acts he is responsible, not resulting, however, in any case from want of due diligence by the Owner of the Ship, or by the Ship's Husband or Manager

unto _____ Assigns, he or they paying Freight for the same as per Charter Party
or _____ 191
dated _____
all the terms and exceptions contained in which Charter are hereby incorporated.
General average payable according to York-Antwerp Rules, 1890.

In Witness whereof the Master or Agent of the said Ship hath signed Bills of Lading, all of this tenor and date, drawn as a set, consecutively numbered, any one of which being accomplished the others to be void.

_____ 191
WEIGHT UNKNOWN.

FORM 70B.—REVERSE OF 70A

asphalt in barrels." The so-called "pixpinus" charter governing chartered shipments of pitch pine requires the charterers to "provide and pay a stevedore to do the stowing of the cargo under the supervision of the master, to supply dogs and chains (at their risk), pay wharfage, custom house tonnage, quarantine dues (but not fumigating expenses or other special charges con-

sequent upon sickness of the crew), and consular fees for entrance and clearance, harbor master fees, and pilotage in and out of the port of loading, at four dollars per St. Petersburg standard of 165 cubic feet, on the entire cargo taken on board at port of loading."

Sufficient examples have been cited to make it clear that many trip charters are neither gross nor net in all respects and that there are many variations in the charter provisions that govern the rights and responsibilities of owners and charterers. There are so many special trip charters that the greatest care is essential on the part of owners or operators, charterers and ship brokers whenever any particular chartering transaction is undertaken.

PART THREE

OCEAN RATES AND REGULATION

CHAPTER XIV

OCEAN FREIGHT CLASSIFICATIONS AND TARIFFS

One of the differences between rail and ocean traffic practices is the relatively small extent to which ocean freight is classified. While railroad freight agents regularly use freight classifications in the quotation of rates, many of the principal ocean lines do not classify freight. In the North Atlantic trade of the United States with Europe, which is heavier than that of any other ocean route, no general classification of freight has been adopted by steamship lines, the only exceptions being the German lines which before the war classified freight shipped from Germany to the United States into six classes. To date the classification of the ocean freight has been the exception rather than the rule.

A number of lines, however, have classified freight. The New York and Cuba Mail Steamship Company (Ward Line), operating from New York, and the Kerr Steamship Line and Wolvin Line, operating from New Orleans to Mexican ports, provide for three numbered classes—1, 2, and 3—and rate certain additional articles at 1½ and double the first-class rates. The United Fruit Co. in its services from New York and New Orleans to Pacific ports in Colombia, Ecuador, Peru and Chile publishes tariffs which contain four numbered classes and additional ratings of double, four and five times the first-class rates for certain articles. The Panama Railroad Steamship Line in its tariffs covering traffic from New York to Colon and Cristobal names five numbered classes and also higher ratings of 1 1-5, 1½, and double first-class and double second-class rates for some items; and in its tariffs covering traffic from New York to Pacific ports in Colombia, Ecuador, Peru and Chile it provides four numbered classes and lists some articles at double and five times the first-class rates. The Gulf Foreign Freight Committee Lines, including the Atlantic Steamship Lines of the Southern Pacific Railroad, the Munson Line, United Steamship Com-

pany, Peninsular and Occidental Steamship Company, and the United Fruit Company classify traffic shipped from Key West, New Orleans and Galveston to Havana and Cuban out ports into the classes provided for in the Official Classification of the eastern trunkline railroads, i.e., six numbered classes, two rules (Rule 25 and 26) and in certain instances multiples of Class No. 1.

The failure of many ocean lines to classify freight traffic is due, at least in part, to the presence of tramp competition, to the competitive character of berth cargoes, to the making of traffic arrangements for shippers in many instances by forwarders, and to the long-standing custom of charging ocean rates at stated amounts per ton, weight or measurement, ship's option.

Ocean Tariffs

Although the publication of rate tariffs by ocean steamship lines is somewhat more common than the classification of ocean freight, the relative scarcity of published ocean tariffs is likewise in sharp contrast with railroad practice. Steamship lines engaged in the coastwise trade are under the shipping act of 1916 required to publish tariffs showing their maximum charges and to file them with the Shipping Board, but those engaged in the foreign trade are not required to do so.

It is the exception rather than the rule for steamship lines engaged in the foreign trade to publish rate tariffs. Instances that may be cited include the lines operating between the United States and the ports of Mexico and the West Indies; those operating between the United States and the west coast of South America; and some of the trans-Pacific steamship lines. Rates were published by the German lines on westbound traffic from Germany to the United States in connection with the freight classification mentioned above, and steamship agents at various American ports have published so-called rate cards showing rates to European ports, but the North Atlantic steamship lines do not regularly publish tariffs. The trades between the Atlantic ports of the United States and Australasia, the Orient, Africa, and the east coast ports of South America are also characterized by a general absence of published tariffs. The freight agents of steamship lines that do not publish tariffs are provided with

tariffs or rate sheets for their own use in quoting rates, but the shipper is usually not permitted to consult these unpublished tariffs.

Published ocean freight tariffs, moreover, are confined to the regular line service. The rates at which tramp vessels are chartered, except during the war emergency, when they were under direct Government control, fluctuate almost constantly, and very largely in accordance with current changes in the relation between the supply of and demand for tonnage. Charter rates in normal times have not been stabilized in published or unpublished tariffs; each charter rate has usually been the result of bargaining.

The contents of published ocean tariffs may be divided into three main parts. In case the issuing lines classify freight traffic, one part contains a statement of such classification and a list of classified articles with the class assigned to each. A second part contains the published freight rates,—class rates for each class in case the issuing lines classify freight, and commodity rates for each of the various commodities contained in an alphabetically arranged list. There may also be general cargo rates per ton, weight or measurement, to cover articles not assigned specific class or commodity rates. The sample page showing class and commodity rates from shipside New York to Tampico, Vera Cruz, Puerto Mexico, and Progreso, Mexico, is taken from the published tariff of the New York and Cuba Mail Steamship Company. (See Table I.)

TABLE I

Sample Page from Ocean Tariff Stating Class and Commodity Rates.

Item 22	CLASS RATES		
	1	2	3
TO TAMPICO (See Item 21)	1.12½ cu. ft. 2.25 100 lbs.	.52½ cu. ft. 1.05 100 lbs.	.45 cu. ft. .90 100 lbs.
VERA CRUZ	1.12½ cu. ft. 2.25 100 lbs.	.52½ cu. ft. 1.05 100 lbs.	.45 cu. ft. .90 100 lbs.
PUERTO MEXICO	1.12½ cu. ft. 2.25 100 lbs.	.52½ cu. ft. 1.05 100 lbs.	.45 cu. ft. .90 100 lbs.
PROGRESO	1.16½ cu. ft. 2.32½ 100 lbs.	.56½ cu. ft. 1.12½ 100 lbs.	.49 cu. ft. .97½ 100 lbs.

Item 23 COMMODITY RATES

COMMODITY	Per	Tampico (See Item 21)	Vera Cruz	Puerto Mexico	Progreso
Acid, Muriatic and Sulphuric, in carboys, not exceeding 255 lbs. each	Carboy	$4.72½	$4.72½	$4.72½	$4.95
Acid, Sulphuric, in iron drums	100 lbs.	1.50	1.50	1.50	1.57½
Automobiles, Boxed	Cu. ft.	.30	.30	.30	.49
Bags and Sacks, Jute	100 lbs.	....	.56½	.56½	....
Barley	100 lbs.	.75	.75	.75	.81¼
Beans, viz.:					
Cocoa	Cu. ft.	.41½	.41½	.41½	.45
Vanilla	Ad Valorem.	1 1/5%	1 1/5%	1 1/5%	1 1/5%
Blankets	Cu. ft. or 100 lbs.	.90	.90	.90	.97½
Bonds and Stocks	Ad Valorem.	1 1/5%	1 1/5%	1 1/5%	1 1/5%
Bran	100 lbs.	.75	.75	.75	.82½
Brick, Common or Fire	100 lbs.	.75	.75	.75	.82½
Bullion, Gold and Silver Bars and Bullion	Ad Valorem.	1 1/5%	1 1/5%	1 1/5%	1 1/5%
Cement, in barrels	100 lbs.	.44	.44	.44	.66½
Cement, in bags	100 lbs.	.50	.50	.50	.83
Clay, Fire or Common	100 lbs.	.75	.75	.75	.82½
Coal	.....	Special	Special	Special	Special
Codfish, in cases	100 lbs.	.90	.90	.90	....
Corn	100 lbs.	.75	.75	.75	.82½
Cornmeal	100 lbs.	.75	.75	.75	.82½
Cornstarch	100 lbs.	.75	.75	.75	.82½
Currency (Except Specie)	Ad Valorem.	⅜%	⅜%	⅜%	⅜%
Diamalt	100 lbs.	.84	.84	.84	.91½
Fertilizer	100 lbs.	.75	.75	.75	.82½
Flour, Corn, Rye and Wheat	100 lbs.	.75	.75	.75	.82½
Formaldehyde	100 lbs.	1.23	1.23	1.23	1.30½
Gasoline	100 lbs.	3.60	3.60	3.60	3.67½
Grease (Soapstock)	100 lbs.	.75	.75	.75	.82½
Glucose	100 lbs.	.75	.75	.75	.82½
Hay	.....	Special	Special	Special	Special
Iron and Steel Articles, viz.:					
Angle	Cu. ft. or 100 lbs.	.35	.35	.35	.39
Band					
Bar					
Beams					
Beams, brake					
Boiler					
Bolts					
Cams, Dies, Heads, Shoes and Tappets (Cast Iron or Steel) for Stamp Mills		.70	.70	.70	.77½
Chain					
Channels					

A third part of the ocean tariff contains the shipping rules that shall govern. While no standard code of tariff rules has been adopted, the following may be noted as typical of their general character: a statement to the effect that the rates con-

tained in the tariff are subject to change without notice; that commodity rates take precedence over any class rates that may be published; that a mixture of various articles in a single package takes the highest rate for any article included; that the published rates are based upon a stated value limit, and that articles of greater value are required to pay the published rates plus a stated percentage of their value; that the minimum charge shall be that expressed in the line's bills of lading; that rates shall be prepaid, although this is not a universal practice; that the published rates do not include marine insurance; and that certain named articles, such as glassware, crockery, and fragile articles as to breakage, oil and liquids as to leakage, and perishable goods as to frost, heat and decay, and deck cargoes are accepted at owner's risk. Packing requirements are also contained in some of the published ocean tariffs, and when livestock is shipped the shipper may be required to arrange for their feed and attendance, or if the ship's crew cares for the livestock, to pay for such service in accordance with a scale of pay published in the tariff.

During the war, when rates reached an unprecedented level, a so-called war surcharge was provided for in some of the tariffs. In some instances the payment of "primage," constituting 5 or 10 per cent. of the freight charges, is still provided for. In the past primage was a special charge to provide a fund for the officers and crew in order to encourage care in loading and storing cargo, but it has in later years been merely an addition to the freight charges to be disposed of by the steamship line in its discretion. Many lines have abandoned the practice of charging primage.

Tariff rules may also contain provisions to the effect that the published rates do not apply if the weight of a package exceeds a stated maximum amount. The number of copies of the bill of lading to be provided for the carrier's use may be stated. The contents of the bill of lading as to the naming of the consignee, the statement of weights for each item or in other respects may be defined, and the tariff may for the convenience of the freight agent and shipper contain the principal consular requirements of the foreign countries to which the cargoes are destined.

Published ocean tariffs do not necessarily contain all the rates

actually charged by the issuing lines, and the published rates have not always been strictly adhered to. They are moreover applicable only to the regular cargoes of the steamship lines, the rates at which berth cargoes are accepted being highly competitive in character and usually subject to bidding between lines and tramps and between the lines themselves. Much freight is also covered by time contracts, in which special rates are granted to shippers who in return for such rates and an assured service agree to book with the contract lines all or a specified part of their overseas shipments to certain ports during agreed periods.

Ocean Rate Quotations

In the past the general practice of ocean lines in quoting rates was to state them at a given number of dollars and cents or shillings and pence per ton, weight or measurement, ship's option. There was little if any difference between the rates on different commodities. The rate at a particular time was so much per ton and the ship operator had the option of computing the freight charge either on the basis of an avoirdupois ton of weight or a measurement ton of space. The weight ton usually was the long ton of 2,240 lbs., and the measurement ton usually represented 40 cubic feet. It depended upon the bulky or weighty character of a commodity as to whether it would go as weight or measurement cargo, and the carrier had the option of selecting the basis which yielded the greater revenue.

In later years the practice of charging different rates for different commodities became more common, but many of these rates continue to be quoted on the basis of the ton, weight or measurement, ship's option. More ocean line rates are quoted on this basis than on any other. The weight ton is the English ton of 2,240 lbs., or less commonly the metric ton of 2,240.6 lbs., or the short ton of 2,000 lbs. The measurement ton is 40 cubic feet, unless in connection with particular commodities it is specifically defined otherwise. The option possessed by the carrier when rates are quoted on this basis is highly important to both the steamship line and the shipper. A rate of $25 per ton, for example, would in case of a package weighing 2,240 lbs., but measuring 60 cubic feet, mean the collection of $30 instead of $25, as the published rate of $25 per ton is the equivalent of 50 cents per cubic foot.

Many ocean line rates are quoted in terms of smaller units than the ton, the carrier, however, retaining an option as between the weight and measurement basis. Two rates may be quoted for a particular class or commodity, one at so much per 100 lbs. and the other at a stated amount per cubic foot, the carrier charging whichever in a particular shipment results in the larger sum.

There are also many instances in which the optional rule is not specifically applied in connection with particular commodities, although their relative weight and measurement is considered in fixing such rates. Thus, grain rates are sometimes quoted per bushel or per quarter of defined weight; flour, per bag or barrel; coffee, per bag; case oil, per case; liquids, acids, etc., per carboy, drum, or similar unit; lumber, per M feet; cement, barbed wire, and other commodities, per weight ton; rosin, per 280 lbs.; cotton or wool, per bale; bricks, per M; dynamite, per pound; or live animals, per head. The use of specific units other than weight or measurement for quoting rates is mainly confined to those trades in which standardized bags, cases, bales, or other commercial units have been widely adopted by shippers.

Rates may also be quoted in terms of a percentage of a commodity's value. Shipments of gold bullion or coin are in many instances assigned an "ad valorem" rate, equal to ½ of 1 per cent. or other per cent. of their value. The extra rates charged over and above the regularly quoted rates, in case a shipment of any kind of cargo exceeds the value limit fixed in the tariff rules or bill of lading, are also in many instances fixed at a percentage of the commodity's value.

The charter rates or hire paid to the owner of a vessel operated under a trip or voyage charter, as in the case of line freight rates, are usually based upon the weight ton, measurement ton, or other unit of the particular commodity that is being shipped. Under time charters the payment to the owner is usually based upon the deadweight tonnage of the vessel if it is a cargo carrier, and upon the gross register tonnage of the vessel if it is a passenger steamship. Lump sum payments and other variations from the usual practices in the chartered service have been more fully discussed in the chapters dealing with charter parties.

CHAPTER XV

OCEAN RATE-MAKING

THE distinction between ocean line and chartered freight services that was noted in connection with their organization and management is equally fundamental in a discussion of ocean freight charges. Line and charter rates are made differently; their bases are different and the forces influencing them differ in some respects.

OCEAN LINE RATE-MAKING

Before the war the ocean conferences described in Chapter V provided the organization or machinery through which most of the freight rates of ocean lines were determined. Their importance was reduced during the war when the general level of rates reached a high point, when the lines had no difficulty in obtaining cargoes, and when the rates of many lines were subject to direct government control; but when the emergency created by the war disappears there is every likelihood that the lines will again make their rates coöperatively through conferences. In some instances the actual rates were agreed upon; in others the rate agreements provided minimum rates below which the actual charges of the conference lines would not go but above which they would fluctuate as fixed by the individual lines; and some rate agreements extended differential rates to indirect lines or to direct lines providing inferior services so as to enable them to share in the available traffic. As the bulk of the export trade of the United States was carried in foreign vessels, many of which were operated by foreign steamship lines, the line rates on exports were in some instances established by conference committees located in foreign ports. In other instances the conferences were conducted at American ports.

The governing principle of the conferences in making ocean line freights has been to fix them at "what the traffic will bear."

The cost of the service and the length of the voyage are not the principal rate factors. The lines aim to maintain their rates at a level which will yield the largest revenues in the long run rather than for a single voyage. Rates fixed at what the traffic will bear are not, in periods of normal business, set at the highest possible level consistent with the moving of such traffic as is awaiting shipment, for maximum revenues depend in part upon the steady development of the volume of ocean traffic. The exorbitant charges demanded during the war, when there were more cargoes than available ocean tonnage, temporarily set aside the usual desire of the lines to develop traffic. It is worthy of note that charter rates in the tramp service which are largely the result of bargaining and are not made by conferences, likewise advanced rapidly when hostilities began in Europe.

In fixing line rates at what the traffic will bear the conferring agents have usually been forced to consider the competitive forces which in all ordinary peace times have persisted in ocean shipping and international commerce. While the prevalence of line conferences makes it clear that regular line rates are not the result of unrestricted competition, it is equally clear that the occasional arbitrary advance or maintenance of a rate does not comprise evidence that the conference lines have a complete monopoly over line rates.

"Some competition between conference steamship lines persists even though they coöperate in the making of their charges. The conferences control and restrict rather than eliminate competition. Even when the absolute rates are fixed in conference committee meetings, the effects of competition are not wholly avoided, for the wishes of the weak and strong conference lines need to be heeded. Their competition is verbal rather than physical. Its form is changed and its severity modified, but its life is not extinguished. On some routes, moreover, certain independent lines continue to operate, although the competition maintained by them is limited.

"A distinction needs to be made between the regular cargo rates of ocean lines and their so-called 'berth cargo' rates. The berth cargo of lines consists mainly of commodities such as grain or case oil which line vessels frequently carry to fill surplus cargo spaces not taken up by traffic which they carry at regular line rates. Berth cargo rates are frequently reduced to a low

level at large ports, such as New York, which are served by many regular lines. At times such cargoes are carried in lieu of ballast, and their rates are regarded as profitable so long as they yield anything over and above the immediate costs incurred in handling them. They are explicitly excluded, in many instances, from the commodities whose actual or minimum rates are fixed in conference; or are subjected to only a modified amount of control. The minimum rate agreements of the lines operating between the United States and the United Kingdom before the outbreak of the war in Europe, for example, did not cover grain, flour, oil cakes, cotton and similar heavy, bulky commodities. In regard to grain, the lines merely agreed not to accept more than specified quantities per vessel at less than three cents per bushel.

"Although ocean liners and tramp vessels are mainly engaged in different services, the rates charged for the services of ocean lines are nevertheless influenced to some extent by tramp competition. The competition is particularly acute in the fixing of berth cargo rates, because the commodities carried by lines as berth cargoes are especially adapted to transportation in ship-load lots. At large ports, for example, where many lines congregate, the lines sometimes obtain most of the grain cargoes, but at rates that are in a large measure influenced by tramp competition.

"The general cargo rates of the lines are less subject to tramp competition, but even they are not wholly free from its influence. Shippers of iron and steel manufacture, and other heavy goods that may be shipped either in ship-load lots or as general cargo, frequently have a choice of services; and should the line rates on general cargo that is usually handled almost exclusively by the lines become unreasonable as compared with the cost of chartering vessels, tramp competition may at any time become an active factor. As is stated by Mr. P. A. S. Franklin, president of the International Mercantile Marine Company, the tramp service is under such conditions available both to small and large shippers:

Neither the large nor the small shipper is ever at the mercy of the steamship lines if rates advance to a point which may be thought to be unreasonable. If the rates exceed or even approximate the rates at which tramp steamers can be chartered, large shippers of special commodities immediately protect themselves by the employment of tramps

for the transportation of their shipments; and small individual shippers, who cannot accumulate merchandise in quantities sufficient to justify the chartering of tramp steamers, are at such times served by chartering brokers, who are always ready, when rates by the regular lines advance to such a point that a profit can be made by chartering, to lay chartered steamers on the berth, themselves accumulating the shipments of numbers of small merchants, who by this means can always protect themselves against oppression.

"When a tramp vessel is placed on the berth by a ship broker or speculator as here stated, it is, of course, not engaged in the tramp service as that service is ordinarily conducted and understood; the tramp is temporarily engaged as a general carrier. It is, however, from among the world's fleet of tramps that such vessels are chartered.

"Ocean line rates are further influenced by the indirect competition known as 'market' or 'commercial' competition. Many American exports to non-European markets, for example, need to be marketed in competition with similar goods offered by European exporters. This obliges the lines serving the exporters of the United States to maintain a degree of parity between their rates and those in effect from Europe to a given competitive market. The effect of this competition is similar to the well-known force of industrial and commercial competition upon railroad charges, but differs in that it is more largely international in scope. Its influence upon the rate activities of ocean conferences is clearly shown in the following statement by Mr. William Boyd, president of Houlder, Weir & Boyd, Inc.:

Deprived of the protection offered by the system of rebates or some other effective tie upon the shipper, the existence of conferences depends entirely upon affording the shipper a satisfactory service and reasonable rates. This is the position of the American conference. Theoretically, working under an agreement in a trade where there is no outside competition, conferences can arbitrarily fix rates. They do fix them, but they cannot, because of the international character of the over-sea trade and the freedom of the ocean to everything that floats, maintain an unreasonable rate for any length of time. An unreasonable rate on any commodity can result only in that commodity being supplied by some other country, and the loss of its carriage to the conference lines. This would not be good business, nor would it be good policy.

. . . The whole history of the shipping business has proved the folly of conferences which tried to trade upon an apparent monopoly, and experience and self-interest have evolved the present-day conference idea, which is combination for the development of trade, and restraint only of wasteful competition amongst themselves. It must surely be evident that, in a business where the buyer has the opportunity of buying

in the United States, England, Germany, Belgium or France, the carrying line from America must help the American seller or shipper to make his sale. If the sales are not made, there is no freight to carry. The proper answer to the question therefore is, that while theoretically a conference enables the lines to establish rates, such rates cannot be arbitrary, but must be reasonable. Self-interest demands that they must enable the shipper or merchant to compete with the shipper or merchant of other manufacturing countries.

"Market competition also exerts an influence over the relative ocean rates charged to or from different ports of the United States. The rates from American ports to Cuba, as described in the report of the Committee on the Merchant Marine and Fisheries, are typical:

It may be added that the rates from New York are about the same as those from the Gulf ports, and that in the case of most articles it would be impossible for the Gulf ports to enjoy a differential since the Atlantic lines would meet the rates. . . . The New York and Cuba Mail Line, the principal line from New York, is a member of the Gulf Foreign Freight Committee for the purpose, as stated by the management of the line, that "we may obtain information as to the freight rates from the Mississippi Valley to the seaboard and from the Gulf to the Cuban ports in order to enable us to meet their competition." Only in the case of grain and packing-house products, because of the greater nearness to the territory producing the same, do the Gulf lines probably make the rates, the same being followed by the New York lines with a view to developing trade from their territory.

"The rate parity maintained between competitive countries and rival ports is by no means absolute. Yet a relationship is maintained, and this is ordinarily true even when the services available to American shippers are offered under foreign flags. Flagrant discriminations, however, have occurred at times, and these, although they are exceptional, have contributed their share to the desire for a larger American deep-sea marine and for a measure of public regulation. Unfair discriminations are less likely to occur in the future, because the Shipping Board, mentioned above, has the power to correct any rate that is unjustly discriminatory between shippers or ports or against 'exporters of the United States as compared with their foreign competitors.' Even in the absence of regulation the transportation disadvantages of American exporters have sprung mainly from unequal services rather than from unequal ocean rates.

"Although ocean line rates are largely determined in conference in accordance with the commercial requirements of inter-

national commerce and the limits set by direct and indirect competition, various additional rate factors are instrumental. The value of the commodities carried is considered in determining what the traffic will bear. Particularly is this the case when different rates are assigned to different commodities, or when an ocean line adopts a freight classification.

"Ocean line rates are also influenced by differences in the value of the services rendered. Slower or indirect lines are frequently accorded differentials because the value of their service is less than that of faster or more direct lines, and unless their rates are lower they would, in years of normal shipping, fail to obtain their proportionate share of the traffic. The value of the service likewise determines the maximum above which neither individual class and commodity rates nor ocean line rates as a whole can be permanently maintained.

"The relative supply of, and demand for, tonnage and cargoes influence line rates somewhat. Ocean conferences tend to prevent the constant rate fluctuations which would occur if supply and demand were the sole consideration, but the conference lines are not loth to increase their charges in case a shortage of tonnage should occur. Neither could they maintain their line rates at a high level throughout a long period of insufficient shipping and surplus tonnage. The exorbitant advance in ocean rates since the outbreak of the war in Europe is due, in large part, though not entirely, to a relative shrinkage in available ocean tonnage. The gradually increasing volume of freight as against the reduction in active merchant tonnage caused by the destruction of belligerent and neutral tonnage, the seizure of merchant ships for transport, hospital, supply and other war purposes, the enforced idleness of nearly the entire ocean tonnage of Germany and Austria, and the reduced merchant tonnage output of the world's shipyards during the first two years of the European War, have enabled the lines as well as the ocean-going tramps to raise their rates to an unprecedented level. Conditions of supply and demand frequently cause wide variations in opposite directions over a particular route.

"It is clear that line rates are fixed primarily at what the traffic will bear, i.e., in accordance with the commercial and competitive forces mentioned above; yet the cost of the services rendered by the lines is also a rate factor. Cost of the service influences

line rates in two general ways. First, it determines the minimum below which the general level of line rates on a given route may not long be maintained. The lines do not establish their rates by computing their total costs and adding to this an amount to yield a profit, but they resist any reduction that causes rates to be lowered to the cost of the service, and they advance their rates in case their costs rise to a higher level and commercial conditions do not prevent. A portion of the increase in ocean rates since the outbreak of the war is traceable to the resulting increase in insurance costs, terminal charges and running expenses, including the outlay for wages, supplies and fuel. Should the costs of a particular line, however, differ widely from those of competitive lines or other lines performing similar services, it may at times find itself unable to maintain its rates at a profitable level.

"The second way in which the cost of service influences line rates has to do with the making of the rates on particular commodities as distinct from the general level of all line rates. Particular rates are seldom based upon the total cost of service chargeable to an individual commodity on a cost accounting basis. Should special expenses of any kind, however, arise in connection with a particular article, it may be obliged to pay a higher rate than other commodities, provided always that commercial conditions do not prevent such action. In case transshipment costs are incurred, moreover, or special expenses arise in handling a consignment in port, the special amounts are, in many instances, added to the line rates in the freight bill that is submitted for payment. The extent to which particular rates are influenced by the cost of service depends in a large measure upon whether the commodity in question is relatively free from or subject to competition.

"Since distance or the length of an ocean voyage is a cost-of-service factor, it follows that it likewise is not a controlling rate basis. The rates on commodities, the movement of which is not controlled by active commercial competition or competition between ocean carriers, are gauged generally, although not precisely, in accordance with distance. Thus the rates on articles such as grain, flour and provisions shipped from the United States to Europe vary widely as regards ports of destination. On the other hand, the rates on traffic that is more subject to

commercial or market competition are frequently blanketed over many ports regardless of relative distances. Differences in the volume of inbound or outbound traffic, or in the relative ability of different trades to bear a higher or lower rate, may cause distance discrepancies involving hundreds and even thousands of miles. Such rate differences cannot be taken at their face value, for they may at times be due to differences in the quality or amount of service performed by the various lines. They are usually traceable, however, to the fundamental practice of making ocean rates at what the traffic will bear. Commercial expediency rather than the cost of the service has been the ocean rate-makers' guide."[1]

Ocean Charter Rate-Making

As was stated in Chapter V ocean conferences in the chartered service are relatively unimportant. The business organization for making charter rates is consequently very different from that prevailing in the line service. In the overseas trade, charter rates are not made coöperatively by a limited number of conference committees. Except when under direct government control, as was the case during the war, they are usually the result of bidding or bargaining between vessel owners or agents and shippers or other charterers. The bargaining may be conducted directly or more commonly through ship brokers, and it may also be facilitated by organized grain, produce, or maritime exchanges. Charter rates resemble the prices of grain or other farm staples in that they may change many times in the course of a single day.

While competitive forces exert an important influence over ocean line rates, in making charter rates, competition dominates the entire rate structure. No prices are more competitive than charter rates in the overseas trade; they fluctuate with every noticeable change in the relation of traffic to ocean tonnage. Local conditions of supply and demand cause rate variations, but the governing competitive forces are world wide in scope. The owners of ocean going tramps throughout the commercial world are in normal times of peace in direct competition with each other to secure desirable cargoes, and when bidding for cargoes

[1] The paragraphs in quotation marks are taken from the "Principles of Ocean Transportation" by E. R. Johnson and G. G. Huebner.

of grain, case oil, iron and steel, and other heavy, bulky commodities also sought by the lines either as berth or regular cargoes, this direct competition between the tramps is supplemented by line competition.

Government Rate-Making

Under the Shipping Act of 1916 the United States Shipping Board has the power to prevent unreasonable ocean line rate discrimination in the foreign trade, but it cannot prescribe line rates in the absence of such discrimination, and ocean charter rates are specifically excluded from its jurisdiction. Its rate-making powers, aside from the prevention of unreasonable discrimination, are limited to domestic shipping in interstate commerce. After the United States entered the war, however, the President was granted rate powers by special act of July 18, 1918. The Shipping Board had in fact begun to prescribe charter rates for requisitioned vessels even before the enactment of this legislation. This war emergency legislation, however, specifically empowers the President to "require that vessels of the United States of any specified class or description, or in any specified trade or trades, shall not be chartered unless the instrument in which such charter is embodied, and the rates, terms, and conditions thereof are first approved by him"; also "that no citizen of the United States or other person subject to the jurisdiction thereof, shall charter any vessel of foreign nationality unless the instrument in which such charter is embodied and the rates, terms, and conditions thereof are first approved by the President." The same act provided that "the President shall have power to determine, prescribe, and enforce reasonable freight rates and the terms and conditions of affreightment which shall govern the transportation of goods on vessels of the United States, which shall be filed with the United States Shipping Board and open to public inspection. It shall be unlawful to charge or collect any compensation for the transportation of goods on any such vessel, or to enforce or attempt to enforce any terms or conditions of affreightment, or to make or receive any payment or do any act with respect to such transportation not in accordance with the rates, terms, and conditions so prescribed. . . ."

The ocean rate-making powers of the President were exer-

cised through the Shipping Board. Beginning in September, 1917, the United States followed the example set in Great Britain's Blue Book rates. The base rates for chartered vessels prescribed by the Shipping Board differed from the British Blue Book charter rates, however, in that they did not prevent the vessel operators from making highly attractive profits. The prescribed charter rates varied according to whether the vessels were operated under the bare boat or time charters described in Chapter XII; also according to the tonnage of the vessels; their speed, and whether engaged in the cargo or passenger traffic. More attention was paid to the cost of service than was customary in the chartered service prior to government control, and less attention was paid to the forces of supply and demand. War conditions simplified greatly the rate-making work of the Shipping Board, for the Government had direct control over both vessels and cargoes. Under such conditions it was relatively easy in prescribing charter rates to modify or set aside the usual close relationship between the supply of and demand for chartered vessels.

The President through the Shipping Board also exercised his "power to determine, prescribe and enforce reasonable freight rates," for vessels of the United States and foreign vessels under charter to American citizens or the Government in the foreign trade. The following excerpt taken from a Shipping Board tariff effective January 27, 1919, from the North Atlantic ports of the United States to various named ports in Great Britain illustrate how the Government prescribed detailed freight rate tariffs:

TABLE II

UNITED STATES SHIPPING BOARD

TARIFF NO. 8 Rates of Freight
From United States North Atlantic Ports
to
Liverpool, London, Manchester, Hull, Avonmouth, Bristol, Cardiff, Glasgow, Leith, and Belfast

COMMODITIES NOT ENUMERATED TAKE RATE OF $1.00 PER 100 LBS. OR 50 CENTS PER CUBIC FOOT, SHIP'S OPTION, EXCEPT DANGEROUS CARGO ON WHICH SPECIAL RATES WILL BE QUOTED ON APPLICATION.

	RATES
Acetate of Lead	$1.00 per 100 lbs.
Acetate of Lime	1.00 per 100 lbs.
Acetone	1.50 per 100 lbs.

RATES—*Continued*

Acetic Acid	1.50 per 100 lbs.
Agricultural Implements	1.00 per 100 lbs. or 50c. cu. ft.
Agricultural Tractors	1.00 per 100 lbs. or 50c. cu. ft.
Ammonia	1.25 per 100 lbs.
Apples, in barrels	3.00 net bbl.
Apples, in boxes	.85 net box
Asbestos	1.00 per 100 lbs.
Asbestos Powder	1.00 per 100 lbs.
Asphalt	1.00 per 100 lbs.
Auto Trucks	1.00 per 100 lbs. or 50c. cu. ft.
Ball Bearings	1.00 per 100 lbs.
Bark and Roots, in bales and bags, except Cascara	1.25 per 100 lbs.
Bark, Cascara—See Cascara Bark	
Bars, Black	20.00 per ton weight
Barytes	20.00 per ton weight
Beef Extract	1.00 per 100 lbs.
Belting, leather and rubber	.50 per cu. ft.
Binder Twine, in bundles	1.00 per 100 lbs.
Bitumin	1.00 per 100 lbs.
Blocks, Mangle and Maple Roller	1.00 per 100 lbs.
Blue Prints and Drawings	.50 per cu. ft.
Boat Oars	1.00 per 100 lbs.
Boiler Tubes	20.00 per ton weight
Bolts and Nuts	20.00 per ton weight
Books	.50 per cu. ft.
Boracic Acid	1.00 per 100 lbs.
Borate of Lime	1.00 per 100 lbs.
Spokes, oak	1.00 per 100 lbs.
Spool Wood	1.00 per 100 lbs.
Staples	20.00 per ton weight
Starch, in bags	1.00 per 100 lbs.
Steel Billets	20.00 per ton weight
Steel, cold roller—in boxes	20.00 per ton weight
Steel Hoops, in coils	20.00 per ton weight
Steel Rails, light not over 30 ft. in length	20.00 per ton weight
Stems	1.00 per 100 lbs.
Straw-board	1.00 per 100 lbs.
Syrup	1.00 per 100 lbs.
Thorium	.75 per cu. ft. or 1% ad. val.
Tobacco (Kings Warehouse delivery)	2.00 per 100 lbs. net (no primage)
Tomato Ketchup	1.00 per 100 lbs.
Tula Fiber, in bales	1.25 per 100 lbs.
Turpentine, in bbls	1.25 per 100 lbs.
Typewriters	.50 per cu. ft.
Vanadium	1.00 per 100 lbs. or 1% ad. val.
Varnish, in bbls	1.50 per 100 lbs.
Vitreous Clay	1.00 per 100 lbs.
Watches	.75 per cu. ft. or 1% ad. val.
Wax	1.00 per 100 lbs.
White Lead	1.00 per 100 lbs.
Wire, in coils, or bbls	20.00 per ton weight
Wire Netting	1.00 per 100 lbs.
Wood Alcohol	1.50 per 100 lbs.
Wood Pulleys	.50 per cu. ft.
Woodpulp	1.00 per 100 lbs.
Wool Noils, in *compressed* bales, occupying 100 sq. ft. or less	1.50 per 100 lbs.
In *uncompressed* bales	2.00 per 100 lbs.

RATES—*Continued*

Wrenches	1.00 per 100 lbs.
Zinc	1.00 per 100 lbs.
Zinc Ashes	1.00 per 100 lbs.
Zinc Dross	1.00 per 100 lbs.
Zinc Oxide	1.00 per 100 lbs.

Issued by
RATE DEPARTMENT
Division of Operations.

Approved:
J. H. ROSSETER,
Director of Operations.

Five supplements to this United Kingdom tariff have been issued by the Shipping Board. The Board has similarly prescribed rates to other parts of the world. Some of the principal tariffs are as follows: No. 12B, applying from the Gulf ports to the United Kingdom and various continental European countries; No. 11B, from the South Atlantic ports to these destinations; No. 9F, from the North Atlantic ports to specified ports in continental Europe; No. 10C, from the Atlantic and Gulf ports to Europe on cotton; No. 21A, from the North Atlantic ports to the North Africa-Levant-Red Sea district; No. 22A, from the North Atlantic ports and Charleston, S. C., to Europe on coal and coke; No. 18C, from the North Atlantic ports to Greek-Adriatic ports; No. 17D, from the North Atlantic ports to the Far East; and No. 5A, from the Atlantic and Gulf ports to South America.

The act of July 18, 1918, under which these tariffs were issued, is, however, avowedly a war measure. The rate powers granted to the President, as the Act now stands, expire when the treaty of peace is proclaimed between the United States and Germany, unless the President by proclamation extends the provisions of the Act for an additional period, not exceeding nine months. It was recently announced by the Shipping Board that its control over ocean freight rates on all privately owned and controlled vessels will be relinquished in the near future, but that it will continue to publish tariffs covering cargoes carried in vessels owned or controlled by the Board.

CHAPTER XVI

OCEAN RATE-MAKING (*Continued*)

While the Freight Traffic Department of a steamship line is most directly concerned with the port-to-port freight rates which the various lines individually or in conference with others put into effect from time to time, it is also concerned with the combined inland and ocean freight rates on shipments moving between interior points in the United States and foreign countries. The inland rates to and from interior points exert a distinct influence over the flow of ocean traffic, the development of which is one of the functions of the traffic organization of an ocean carrier. The freight agents, solicitors, and brokers of an ocean steamship line, when soliciting traffic, need to be familiar with the railroad rates from interior points in the United States to the ports of export, and with the rates on imported cargoes destined to inland destinations. Ocean freight forwarders when quoting through rates to foreign destinations are as much concerned with inland as with ocean rates, for the through rates quoted by them are based upon both. When steamship lines or railroads undertake the forwarding of cargoes for interior shippers, inland as well as ocean rates are likewise a consideration, and the importance of both rates to interior importers and exporters is obvious.

Inland Rates to and From Shipside

Most export shipments of carload freight from interior points are made on railroad rates which apply to shipside at the port of export; and imports are similarly carried in carload lots from the ports to interior destinations on rates applicable from shipside at the ports of entry. The rates on less-than-carload lots are more frequently applicable to or from the port, additional costs being incurred in transferring them between the railroad car and vessel.

Care needs to be taken in quoting the inland rates because there are numerous routes with different rates, and one and the same route may have domestic as well as special export or import rates. Between the Central West and the North Atlantic ports, for example, there are standard and differential all-rail routes; and standard and differential lake-and-rail routes. There is also a Lake-and-Erie Canal route; a Lake-and-St. Lawrence-Rail route; a Lake-and-St. Lawrence River route; ocean-rail routes through Philadelphia, Baltimore, or Virginia ports; ocean-rail routes via South Atlantic and Gulf ports; and lake transit routes for grain. The number of available routes varies at the different North Atlantic ports and interior points. A knowledge of the so-called "port differentials" should moreover be acquired, because rates to and from the various North Atlantic ports are fixed so that the rates of one port bear a definite relationship to those of the other North Atlantic ports. Steamship lines and other shipping concerns located at the ports are vitally interested in any change of the existing port differentials that may be proposed, because a change in their relative inland rates would influence the flow of traffic to one port as compared to another.

If no special export and import rates are applicable to a particular export or import shipment the domestic tariffs to and from the ports govern. As the domestic rates vary somewhat via different inland routes, the routing of the cargoes to and from the ports is important not only with respect to promptness of delivery, likelihood of damage to freight, and available special services and privileges, but also because careful routing may reduce the exporter's or importer's freight bill.

Foreign trade shipments are in many instances entitled to export and import rates which are substantially lower than the domestic rates.

Before the war, export and import rate tariffs were in effect via the ports of each of the three seaboards, although those applicable at the Gulf and Pacific coast ports were more comprehensive than those in effect at the North Atlantic ports. When railroad freight congestion, particularly at the North Atlantic ports, became acute, efforts were made to restrict and control foreign trade rather than to increase its volume, and the Director General of Railroads in his rate order of May 25, 1918, ordered the cancellation of the import and export rates then in effect.

Later, however, a number of export and import tariffs were again authorized. A transcontinental tariff, effective May 29, 1919, for example, names import commodity rates from shipside at Pacific Coast ports on shipments originating at Asiatic points and points in the Philippine Islands, Australia, New Zealand, and the Oceanic islands, Central and South America, Mexico, and the Hawaiian Islands (when specifically shown in individual items) to a large range of destinations in the United States and the eastern provinces of Canada. The rates given in this tariff for the North Pacific ports apply from shipside, except when the charges for storage, wharfage, loading, unloading, and handling exceed one dollar per net ton. In such cases the excess over one dollar per net ton is collected in addition to the stated import rates. At California ports the rates given in the tariff apply from shipside and include charges for terminal services, regardless of their amount. The tariff also provides that in case of import shipments moving from California ports to the east through the Gulf ports via rail-and-water routes, other than the Atchison, Topeka and Santa Fé lines, marine insurance shall be included in the import rates.

The Railroad Administration has also put into effect export rates from interior ports through the Pacific and Gulf ports with a view to enabling these ports to compete with the ports of the North Atlantic. The Gulf and South Atlantic ports are, however, pressing demands for further export and import rate conversions. The increasing interest of all sections of the United States in the foreign trade is likely to result in numerous changes in existing export and import rates and perhaps in the adoption of a larger number of such rates than were in effect before the war. The forces which tend to give lower railroad rates to exports and imports than to domestic shipments are mainly the commercial competition which the United States meets in the foreign trade and the rivalry of the ports, each port desiring to increase its share of ocean shipping. Should the railroads be returned to their owners for operation, the more acute competition between them in the foreign than in the domestic trade may also become a factor as it was in the past. In the import trade there is the further tendency to counteract the effect of protective import duties.

Through Rail-Ocean Rates

In the domestic trade much freight is shipped on through rail-and-ocean rates, effective on railroad and coastwise steamship lines handling joint traffic. The Director General of Railroads has established such through rates between many points, and as is more fully stated in Chapter XVII the Interstate Commerce Commission has jurisdiction over interstate traffic moving partly by rail and partly by water.

In the foreign trade, however, the common practice is to quote combination rates, consisting of separate inland and ocean rates. Through rail-ocean rates are exceptional in the overseas trade. The most recent instances of such rates are the through rates on freight shipped by way of certain steamship lines to Tampico, Frontera and Vera Cruz, Mexico, through New Orleans, Port Arthur, and Texas City. Until July, 1916, the transcontinental railroads also quoted through rates from interior points through Pacific coast ports to certain Asiatic and Australasian points, the rail proportions, however, being fixed amounts and stated separately from the ocean proportion of the through rates. Those contained in the tariffs of the Transcontinental Freight Bureau were "for information only"; the ocean proportions were not guaranteed.

Through rail-ocean rates in the foreign trade were more common in the past. Until 1890 the railroads frequently took a percentage of fluctuating through rates. The fluctuations in ocean freights were so abrupt, however, and the through rates to foreign destinations were at times so low as compared with domestic rates that many through tariffs were withdrawn. Later, the Hepburn Amendment of 1906 to the Interstate Commerce Act made it unlawful for railroads to accept a percentage of fluctuating through rates, for it requires the publication and filing of interstate railroad charges and a notice of thirty days before changes become effective.

When an exporter desires a through rate to a foreign destination he ordinarily obtains it from an ocean freight forwarder. The separate rail and ocean freight rates are in this case paid by the forwarder, while the shipper or his consignee pays a through charge to the forwarder.[1]

[1] *See* Chapter VI.

The rail and ocean freight rates mentioned above do not constitute the entire freight bill of the exporter or importer. It also includes such port or terminal charges as are assessed against shippers. Charges of this kind are fully discussed in the manual on *Wharf Management.*

Ocean Passenger Fares[1]

"The principles governing the making of ocean passenger fares are generally the same as those stated in connection with ocean freight rates, subject to certain inherent differences between the nature of passenger and freight traffic. Over a given route they are fixed at varying amounts per passenger subject to a threefold variation: (1) They are different via different lines or steamers depending upon their relative speed, accommodations or the superior character of their services. On the North Atlantic route, where the steerage traffic is generally pooled by the passenger lines, the steerage fares via given lines or steamers may, moreover, be advanced relative to those via others with a view to directing the volume of steerage traffic so as to maintain the percentages allotted to each line. (2) They vary according to the class of passage selected by the traveler, i.e., according to the passenger service classification maintained by the carriers. (3) On a given steamer the cabin fares within a class vary for different cabins or staterooms according to their location, reservation for individual passengers or other special considerations. This gradation of fares is due partly to considerations of what the traffic will bear and the relative value of the service rendered, and partly to cost differences.

"Though ocean fares are usually fixed primarily at what the traffic will bear, the competitive forces affecting them differ somewhat from those influencing line freight rates. The force of international commercial competition and port rivalry, although by no means entirely absent, is not so prevalent as in freight transportation. Ocean fares, moreover, are not subject to tramp competition. Direct competition is limited to the lines themselves, and is subject to control by conferences.

"Prior to the war in Europe there were at least twelve North

[1] This section is reproduced from Johnson and Huebner, "Principles of Ocean Transportation," pp. 335-337.

Atlantic passenger agreements (*see* Chart VII in Chapter V), through which the heavy steerage traffic moving between the United States and Europe was pooled and its fares established in conference, and through which minimum first and second-class cabin fares were agreed upon. The N. D. L. V. passenger agreement referred to in Chapter V, for example, provided that [2]

No line has the right to alter its steerage and second-cabin rates without previously informing the Secretary. The Board of Secretaries cannot compel any line to fix its gross rates for adult steerage passengers at less than 100 marks, unless with the consent of the Board of Presidents. The lines agree to commence with definitely fixed steerage rates, all of which are stipulated in the contract. The lowest cabin rate must be at least 50 per cent. higher than its steerage rate and 30 per cent. higher than the highest steerage rate of any of the other lines.

"Few passenger conferences or agreements exist outside of the United States-European traffic, but the competition in the passenger business between the lines operating elsewhere is indirectly controlled through their many freight agreements. Except on the North Atlantic route the long-distance ocean passenger traffic is secondary to the freight traffic of the passenger-carrying lines. Any agreement concerning division of territory or ports, the number of their sailings, vessel tonnage, or number of steamers influences passenger as well as freight competition.

"Ocean fares have fluctuated less, and have, on the whole, been maintained at a higher level than freights, both because of the difference in competitive conditions mentioned above and because of the higher capital, operating and maintenance costs of the passenger service. While the economies resulting from increased size of vessels and efficiency of marine engineering were accompanied by lower freight rates, similar economies in passenger steamers were largely offset by the additional costs occasioned by increased speed, comfort, luxury and betterments of the passenger service. There are times, of course, when ocean freights temporarily soar to levels which passenger fares cannot approach. The war in Europe, for example, although stimulating an acute demand for freight tonnage, caused a pronounced shrinkage in the volume of the North Atlantic passenger traffic."

[2] House Committee on the Merchant Marine and Fisheries, Vol. IV, "Proceedings in the Investigation of Shipping Combinations," p. 28.

CHAPTER XVII

GOVERNMENT REGULATION OF OCEAN RATES AND SERVICES

THROUGHOUT this manual reference has been repeatedly made to the customs laws and regulations of the United States and to the consular regulations of foreign countries because the legal requirements regarding the entry and clearance of vessels and cargoes are of direct concern to the traffic departments of steamship lines, to the operators of tramp vessels, and to the various agencies that have been described. The United States Government has also for many years applied its so-called navigation laws, which comprise a volume of over 550 pages, the most comprehensive statute being the Seamen's Act of March 4, 1915. They include the vessel registry acts, the measurement laws, the tonnage tax laws, and the statutes regulating the seaworthiness, safety and inspection of vessels. They include the many provisions applicable to the nationality, licensing, qualifications, powers and number of officers on American vessels; and those governing the minimum number of the crew, the shipping of certified lifeboat men and able seamen, the ability of 75 per cent. of the crew to understand orders given by a vessel's officers, the payment of the crew's wages, the agreements under which the crew members are shipped, their provisions and water allowance, the size and condition of their quarters, the number of watches when at sea and the number of hours of work when in port, the treatment of the crew by officers and the penalty for desertion. These and other navigation laws are variously administered by the U. S. Commissioner of Navigation, the Customs Service, the Shipping Commissioners, Corps of Engineers, Bureau of Public Health, Consular Service, Department of Agriculture, Post Office Department, Navy Department, Steamboat Inspection Service, War Trade Board Section of the State Department, and other federal executive departments, bureaus and boards. The principal maritime laws that concern ocean ship-

pers, ship owners and operators, ship officers and seamen are discussed in a separate manual of this series on *Laws of the Sea* by Mr. George L. Canfield. Some of them concern steamship traffic management, but many are primarily applicable to the work of other departments in a steamship company's organization.[1]

The administration of ports by local authorities is also a factor in traffic management, although one that is more directly connected with steamship operation. The Federal Government and the local, state and municipal authorities exercise dual authority in the regulation of piers, wharves, elevators and other facilities, port charges and dues, dockage and wharfage practices, health and quarantine control, and police supervision. Both exercise control over pilots and pilotage although state regulation is in this case by permission of Congress.[2]

The purpose of this chapter is to give an account of the extent to which the Government regulates steamship services and ocean rates, for such regulation is particularly applicable to traffic management.

Passenger and Immigration Laws

Although the ocean freight and cabin passenger services were for many years relatively free from government control, except such as resulted indirectly from the customs, consular, and general navigation laws referred to above, steerage passenger traffic has been subjected to special regulation since 1882. The passenger act enacted in that year, as amended to date, limits the number of steerage passengers that a vessel may carry; it requires reasonable steerage accommodations and prescribes the minimum space per passenger on steerage decks; it regulates the food, light and air, discipline and cleanliness, medical attention and the privacy of steerage passengers. The carriage of cargo and stores on steerage decks, and of explosives and livestock on vessels carrying steerage passengers is prohibited. The keeping of a passenger list is required, and fees are prescribed in case of the death of steerage passengers. Inspection of vessels by

[1] *See* also E. R. Johnson and G. G. Huebner, "Principles of Ocean Transportation," Chapter XXIV (General Navigation Laws of the U. S.).

[2] Ibid., Chapter X, Ocean Ports and Terminals, pp. 130-135, and Chapter XXVI, Aid and Regulation by States and Municipalities.

the customs authorities is provided to insure the enforcement of the act.

The steerage service is also affected directly by the United States immigration laws. Immigrants brought to the United States are subjected to examination by the Immigration authorities, and if found to be afflicted with tuberculosis or with a "loathsome or dangerous contagious disease" are excluded. The Immigration Act of 1917 also excludes aliens of the following classes:—idiots, imbeciles, feeble-minded, epileptic or insane persons; persons who have had previous attacks of insanity; persons of constitutional psychopathic inferiority; vagrants; persons with chronic alcoholism; professional beggars; paupers, and persons with mental or physical defects that may affect their ability to earn a living; persons likely to become a public charge; those who were convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude; polygamists and those believing in or advocating polygamy; anarchists and members of anarchistic organizations; prostitutes and white slavers; contract laborers, with certain exceptions, and persons coming because of advertisements for laborers printed or distributed abroad; persons whose passage is paid by a corporation, association, society, municipality or foreign government; stowaways, unless otherwise admissible and allowed to enter in the discretion of the Secretary of Labor; and children under sixteen years of age, unless accompanied by or coming to one or both parents or admitted in the discretion of the Secretary of Labor as persons not likely to become a public charge. This law also excludes, with certain expressed exceptions, aliens over sixteen years of age who cannot read the English language or some other language or dialect. The immigration of natives from Oriental countries is prohibited subject to exceptions contained in the law or in existing treaties.

The solicitation of alien immigrants by vessel owners or operators or by the masters, officers or agents of vessels is specifically prohibited and penalized. If any excluded aliens are brought to the United States by a steamship company and their disease, inability or other grounds for exclusion could have been detected at the time of embarkation by means of a competent medical examination or by the exercise of reasonable precaution, the steamship company may be required to pay specified

amounts to the customs collector and "in addition a sum equal to that paid by such alien for his transportation from the initial point of departure, indicated in his ticket, to the port of arrival for each and every violation of the provisions of this section, such latter sum to be delivered by the collector of customs to the alien on whose account assessed." The act of 1917, moreover, provides "that all aliens brought to this country in violation of law shall be immediately sent back, in accommodations of the same class in which they arrived, to the country whence they respectively came, on the vessels bringing them, unless in the opinion of the Secretary of Labor immediate deportation is not practicable or proper. The cost of their maintenance while on land, as well as the expense of the return of such aliens, shall be borne by the owner or owners of the vessels on which they respectively came." Steamship companies are also required, with certain exceptions, to pay a head tax of eight dollars for every alien immigrant who is admitted by the immigration authorities.

The Interstate Commerce Act

The Interstate Commerce Act of 1887 as amended to date applies directly to the traffic of steamship companies in interstate commerce and in the trade with adjacent foreign countries when handled partly by rail and partly by water under "a common control, management or arrangement for a continuous carriage or shipment," and as amended by the Panama Canal Act of 1912 it applies directly to all interstate traffic handled partly by rail and partly by water. In the coastwise and Great Lakes trade the Interstate Commerce Commission may establish through rail-water routes, maximum joint rates, and maximum proportional rates applicable to rail-water traffic; it may order the carriers to establish physical connections between rail and water carriers; it may order the issue of through bills of lading; it may fix rate divisions between the railroads and steamship companies; and it may regulate ferries operated and terminal facilities used in connection with interstate rail-water traffic.

The interstate commerce act does not, however, apply to the port-to-port charges or services of steamship companies engaged in interstate commerce or in the trade with adjacent foreign

countries. The only direct powers of the Commission in the port-to-port business are embodied in Section 20 of the interstate commerce act, which under a ruling of the Supreme Court empowers the Commission to obtain statistical reports and prescribe a system of accounts covering the port-to-port as well as the rail-water traffic of domestic steamship lines who handle traffic in connection with the railroads; and in Section 11 of the Panama Canal Act which provides that steamship lines owned or controlled by railroads with whom they are or might be in competition may under certain conditions continue to be so owned or controlled with the consent of the Interstate Commerce Commission, but that their rates, schedules and practices must be filed with the Commission and become subject to the Interstate Commerce Act to the same extent as those of the controlling railroads.

The charges and services of steamship companies engaged in the overseas foreign trade are not within the jurisdiction of the Commission as regards either their port-to-port business or the traffic which they handle in connection with the railroads. The Commission can regulate ocean carriers in the overseas foreign trade only indirectly by regulating the railroads with whom they interchange traffic, and the ocean terminals used by the railroads in the foreign trade. The Commission can regulate the export and import rates of the railroads, their rules and regulations, their demurrage and other charges and their practices exactly as in case of the domestic traffic of the railroads. The Panama Canal Act of 1912 also provides that "if any rail carrier subject to the act to regulate commerce enters into arrangements with any water carrier operating from a port in the United States to a foreign country through the Panama Canal or otherwise for the handling of through business between interior points of the United States and such foreign country, the Interstate Commerce Commission may require such railway to enter into similar arrangements with any or all other lines of steamships operating from said port to the same foreign country." The Commission has power to regulate the export and import charges and services of the railroads, but its jurisdiction does not extend to the charges and services of ocean carriers in the overseas trade.

The Interstate Commerce Act as amended in Section 11 of the Panama Canal Act contains important provisions regarding the

ownership or control of steamship companies by railroads. The section provides first, that common carriers by water operating through the Panama Canal may not be owned or controlled by railroads with which they are or might be in competition; and second, that common carriers by water not operating through the Panama Canal may not be owned or controlled by railroads with which they are or might be in competition unless the Interstate Commerce Commission is of the opinion that such carrier by water is "operated in the interest of the public and is of advantage to the convenience and commerce of the people" and that the continuation of such railroad ownership or control "will neither exclude, prevent, nor reduce competition on the route by water under consideration."

Section 11 of the Panama Canal Act also prohibits vessels in the coastwise or foreign trade from entering or passing through the Panama Canal if they are owned, chartered, operated or controlled by concerns doing business in violation of the federal anti-trust laws.

The United States Shipping Act of 1916

The Shipping Act of September 7, 1916, was enacted in part to aid the American merchant marine and in part to regulate the port-to-port charges and services of ocean steamship lines and the relations between them. It does not affect the power or jurisdiction of the Interstate Commerce Commission nor confer upon the Shipping Board concurrent power or jurisdiction. The Shipping Board is given power to regulate the port-to-port traffic of steamship lines both in the interstate and foreign trades, while the Interstate Commerce Commission has power to regulate such traffic as is handled partly by rail and partly by water in interstate commerce, but has no direct jurisdiction over steamship lines in the overseas foreign trade either as regards their port-to-port or their rail-ocean traffic. The functions of the two administrative bodies, however, and their respective fields of action are closely related.[3]

The Shipping Act of 1916 prohibits "common carriers by

[3] Dispute has arisen as to the effect that proposed railroad regulation bills now before Congress would have upon the jurisdictions of the Shipping Board and Interstate Commerce Commission over transportation by water in interstate commerce.

water" in foreign commerce and in interstate commerce on the high seas or the Great Lakes on "regular routes from port to port" and also concerns engaged in the business of forwarding or in furnishing wharfage, dock, warehouse or other terminal facilities in connection with such carriers, from giving any undue or unreasonable preference or advantages to a particular person, locality or description of traffic. It prohibits them from transporting the property for any person at less than their regular rates by means of false billing, classification, weighing or weight reports or by other unjust or unfair device; and from in any way inducing marine insurance companies or underwriters to discriminate against competing carriers. It similarly prohibits them from disclosing to any persons other than the shipper or consignee, except with their consent, any information regarding their cargoes that may be used to their detriment.

The carriers and other concerns mentioned in the preceding paragraph are required to file with the Shipping Board a true copy or memorandum of every agreement regarding rates or fares, special accommodations, privileges or advantages, the control of competition, the pooling of traffic or earnings, the control of sailings by the allotment of ports or otherwise, the limitation of freight or passenger traffic, or any other exclusive, preferential or coöperative arrangement. The Board is given power to "disapprove, cancel or modify any ocean conference agreement which it finds to be unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, or to operate to the detriment of the commerce of the United States, or to be in violation of this Act." When, however, a conference agreement is approved by the Board and is lawful under the Shipping Act it is excepted from the provisions of the federal anti-trust laws. The purpose of Congress was to avoid the disadvantages of ocean conferences but to retain their advantages.

Certain of the disadvantages that have at times been incident to ocean conferences are specifically prohibited in the Act. Common carriers in interstate or foreign commerce may not pay deferred rebates, use fighting ships, or retaliate against a shipper by refusing or threatening to refuse available space accommodations, or by resorting to other unfair methods because he has patronized other carriers or for other reasons. Nor may they

make unfair contracts with a shipper on the basis of the volume of freight offered, or unjustly discriminate against any shipper in the matter of space accommodations, the loading and landing of cargo in proper condition, or the settlement of claims.

Other regulatory provisions of the Shipping Act of 1916 draw a distinction between interstate and foreign shipping. Common carriers by water operating on regular routes in the coastwise or Great Lakes trades are required to establish and observe just and reasonable rates, fares, charges, classifications, tariffs, regulations and practices throughout their entire port-to-port business. They are, moreover, obliged to file with the Board and keep open to public inspection, tariffs showing their maximum rates, fares and other charges; and they may not charge more than the charges so filed without the approval of the Board and after ten days' notice unless the Board for good cause waives such notice. If the Board finds any rate, fare or other charge, or any classification, tariff, regulation or practice to be unjust or unreasonable, it may prescribe and substitute in place of it "a just and reasonable maximum rate, fare or charge, or a just and reasonable classification, tariff, regulation, or practice." If a carrier by water in interstate commerce reduces its freight rates at competitive points below a fair and remunerative basis with the purpose of driving out or injuring a competitive coastwise or Great Lakes carrier, it may not again increase such freight rates unless the Board after holding hearings finds the increase to be justified by changed conditions other than the elimination of competition.

In the foreign trade, on the contrary, the Shipping Board under the Act of 1916 can prescribe rates only on the ground of unjust discrimination, and the steamship lines are not required to systematically file their tariffs, or give a ten days' notice before advancing their rates. The Act, however, prohibits charges that are "unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States as compared with their foreign competitors," and it authorizes the Board to correct such unjust discrimination or prejudice. It also requires steamship lines, forwarders, and concerns engaged in providing wharfage, dock, warehouse or other terminal facilities in the foreign trade to establish and observe "just and reasonable regulations and practices relating to or connected with the

receiving, handling, storing or delivering property," and empowers the Board to prescribe a just and reasonable regulation or practice for any found to be unjust or unreasonable. "Cargo boats commonly called ocean tramps" are specifically exempted from these provisions which apply in foreign commerce.

In enforcing the Act of 1916 and exercising its powers the Shipping Board may act either on its own initiative or on sworn complaints, and it may subpœna witnesses and compel the production of books, documents or other evidence. Its orders, made after holding hearings, may with the exception of those calling for the payment of money, be enforced by obtaining a writ of injunction or other process from a federal district court. Orders involving the payment of money and reparation awards may be enforced by filing suits or petitions in a federal district court or in any other court specified in the Act. The Board's rate orders are of course subject to review by the federal courts in the same way that those of the Interstate Commerce Commission are reviewable, and as in the latter case the courts will probably limit themselves to a consideration of questions of constitutionality and law.

The Act of 1916 carries severe penalties for violations of the Act. A general money penalty of $5,000 is provided for the violation of sections not embodying different penalties. If the owner or master of a vessel laden with merchandise refuses to accept freight destined to the ports for which the vessel is bound, although there is available space and the freight is in proper condition, contains no merchandise for which the vessel is not adapted and the proper freight charges are offered, the Secretary of the Treasury is authorized to refuse clearance.

The Shipping Act of 1916 is important also because of the ship purchase plan embodied in it. It authorizes the Shipping Board to purchase, lease, charter or have vessels constructed and to sell, charter or lease such vessels upon approval of the President and also such as may be transferred to it from the Army or Navy. It moreover authorizes the Board to organize one or more corporations for the purchase, construction, equipment, lease, charter, maintenance and operation of merchant vessels. The Emergency Fleet Corporation was formed under this provision. The original fund made available was limited to $50,000,000, but this was vastly increased after the United States

entered the war and an acute tonnage emergency arose. The Act provides that the operation of vessels by any such corporation in which the United States is then a stockholder shall discontinue within five years after the conclusion of the war is proclaimed by the President, and that the corporation shall then be dissolved. The Shipping Board to which the corporation's vessels and other property shall revert, "may sell, lease or charter such vessels as provided in section seven and shall dispose of the property other than vessels on the best available terms."

War Control of Ocean Shipping

Although the Government ship purchase plan inaugurated in the Shipping Act of 1916 was the immediate result of the shipping emergency which had developed since the beginning of the war in Europe, the regulatory provisions of the Act are only in part the result of war conditions. They provide for regulation which will continue after war conditions disappear unless Congress should see fit to legislate otherwise. War control of ocean shipping in the United States was not extensive until after the Government declared a state of war to exist between the United States and Germany. The control then exercised far exceeded the permanent regulation embodied in the shipping act of 1916.

In September, 1917, the Shipping Board announced its intention to requisition all American vessels above 2,500 tons dead-weight capacity. It formulated standardized requisition charters and controlled the operation of vessels under the bareboat or time charter forms referred to in Chapter XII. The War and Navy Departments had, even before this action was taken by the Shipping Board, commandeered vessels for their own use, and the War Trade Board through its power to issue or withhold bunker coal licenses had been exercising a measure of control over vessel movements. The Shipping Board also chartered many foreign neutral vessels.

One reason for requisitioning and chartering vessels was to control them so that the available tonnage would be used where most needed. The other reason was to control rates. The Shipping Board began to prescribe charter rates for vessels

under its control in September and later it made the following announcement regarding vessels under 2,500 tons dead-weight capacity: "There are a number of small vessels which are not in the requisition size that have been making these (trans-Atlantic) trips under extortionate rates, and after consideration by the Ship Control Committee it has been decided that, after February 20, 1918, no American steamship under 2,500 tons dead-weight will be permitted to clear for a trans-Atlantic voyage or to engage in other long voyage trades."

On July 18, 1918, moreover, Congress enacted special war legislation specifically conferring upon the President complete power to control the rates, terms, conditions at which American vessels are chartered and at which citizens of the United States charter foreign vessels. The Act also empowered the President to prescribe reasonable freight rates, terms and conditions governing the transportation of cargoes on vessels of the United States. These powers over charter rates and ocean freight rates were exercised by the President through the Shipping Board. The operation and management of vessels, directly and through private operators and managers is conducted through the Division of Operations of the Emergency Fleet Corporation.

Other regulatory steps taken by the Shipping Board included the improvement and control of coal handling facilities; the control of tugs and barges; and the sending of men to various ports to speed up the handling of vessels. War port boards were also created in the fall of 1917 to develop and control port facilities, the New York board consisting of representatives of the Shipping Board and the War and Navy Departments. In order to reduce the volume of foreign trade and in that way release ocean tonnage the Board created a Division of Planning and Statistics and sent representatives to various foreign countries.

Other branches of the Government also exercised regulatory functions affecting ocean shipping during the war. The Division of Planning and Statistics coöperated with the War Trade Board in determining how the volume of imports and exports could best be reduced. The War Trade Board having the power to withhold licenses and restrict foreign trade acted not only with a view to preventing American products from reaching the enemy and to conserving food stuffs and other products for the United

States and the Allied countries; it also restricted trade so as to release tonnage and facilitate its control and effective use. As was previously mentioned, this board likewise exercised a direct control over the movement of vessels through the issue or refusal of bunker coal licenses. The State and Commerce Departments coöperated in the work of licensing imports and reducing their volume by sending commercial attachés abroad, and various departments encouraged the home production of products which were formerly imported from abroad. The Food Administration in coöperation with the War Trade Board controlled the exportation of grain and other food stuffs.

The Railroad Administration controlled the movement of export freight from the interior to the ports either directly, or in the case of New York, through the General Operating Committee of the eastern railroads referred to in Chapter XI. It took over the important Atlantic and Gulf Coastwise lines, and various inland and coastwise waterways. It established a North Atlantic Ports Freight Traffic Committee with its main office at New York and divisions at Baltimore and Philadelphia to control the carload domestic freight, except freight consigned to an officer of the U. S. Government, for coastwise vessels; to make freight embargoes effective when issued by the lines serving these ports, and to issue railroad shipping permits as exceptions to embargoes when conditions warrant.

A joint "exports control committee" consisting of representatives of the Railroad Administration, the Shipping Board, the War and Navy Departments, and the traffic executives controlling Allied traffic was also created. This committee was formed to determine the probable amounts of export and domestic freight that needed to be handled at the ports, how war freight could best be routed to the seaboard, the ports to which specified overseas freight should be transported, and the distribution of the total volume of all export freight between the various ports so as to facilitate its handling and avoid congestion.

Two "shipping control committees" to unify the control of American vessels and virtually pool them with the Allied countries were appointed when the confusion resulting from lack of close coöperation between the Shipping Board, the Naval Transport and the Army Transport services, which were operating vessels independently, became apparent, and when it became

clear that coöperation with the Allies in the use of ocean tonnage was desirable. One of the committees consisted of three American steamship men, and the other committee which brought about coöperation with the Allies consisted of two of the members of the American committee and a representative of the British Admiralty. These committees were given power to divert incoming vessels away from congested ports to whatever ports were at a particular time best able to receive them, and to select the ports from which outbound vessels were to clear.

This war control of ocean shipping is mentioned because some of it is still in effect and because it may have an influence upon regulation in the future. Most of it seems, however, to be of a temporary character and destined to disappear or to be greatly modified as normal conditions approach. Many of the restrictions on foreign trade and ocean cargoes, for example, have already been raised and the stringent powers over shipping granted to the President in the Act of July 18, 1918, will come to an end when the treaty of peace is proclaimed, or within nine months from such date. The traffic department of steamship lines will, however, continue to be concerned with the customs and navigation laws, with the passenger act and immigration laws, the Interstate Commerce and Panama Canal acts, with the Shipping Act of 1916, and with whatever remnants of war control may continue or new legislation be enacted.

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